

VIRGIN SOIL:  
THE MODERNIZATION OF SOCIAL RELATIONS ON A CUBAN SUGAR ESTATE-  
THE FRANCISCO SUGAR COMPANY,  
1898-1921

By

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To Delia, whose heart is like the heavens,  
without limit.

The struggle of the modern age has always been . . . to give man freedom and sever him from his bondage to the land, and for the freedom of the land, liberating it from the monopolistic tyranny of man.

The farmer is becoming a member of the proletariat, just another laborer, without roots in the soil, shifted from one district to another. The whole life of the central is permeated by this provisional quality of dependence, which is a characteristic of colonial populations whose members have lost their stake in their country.

Fernando Ortiz

All our invention and progress seem to result in endowing material forces with intellectual life, and in stultifying human life into a material force.

Karl Marx

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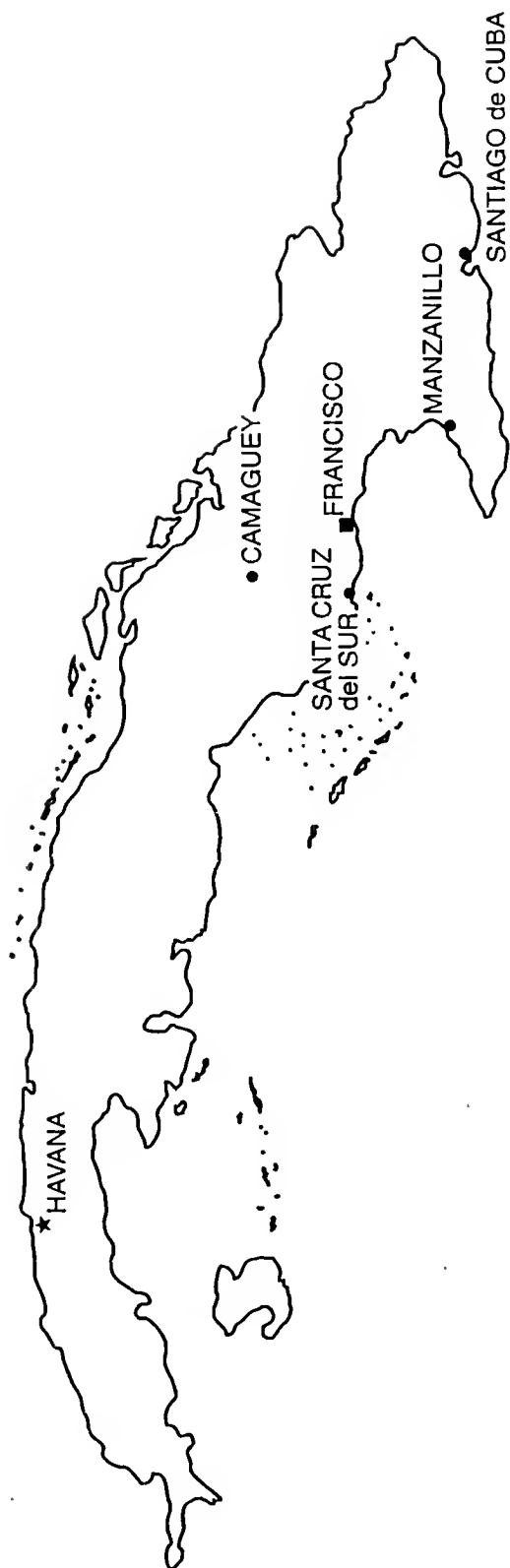


Figure 0.1 Cuba showing the location of the Francisco Sugar Estate and selected cities

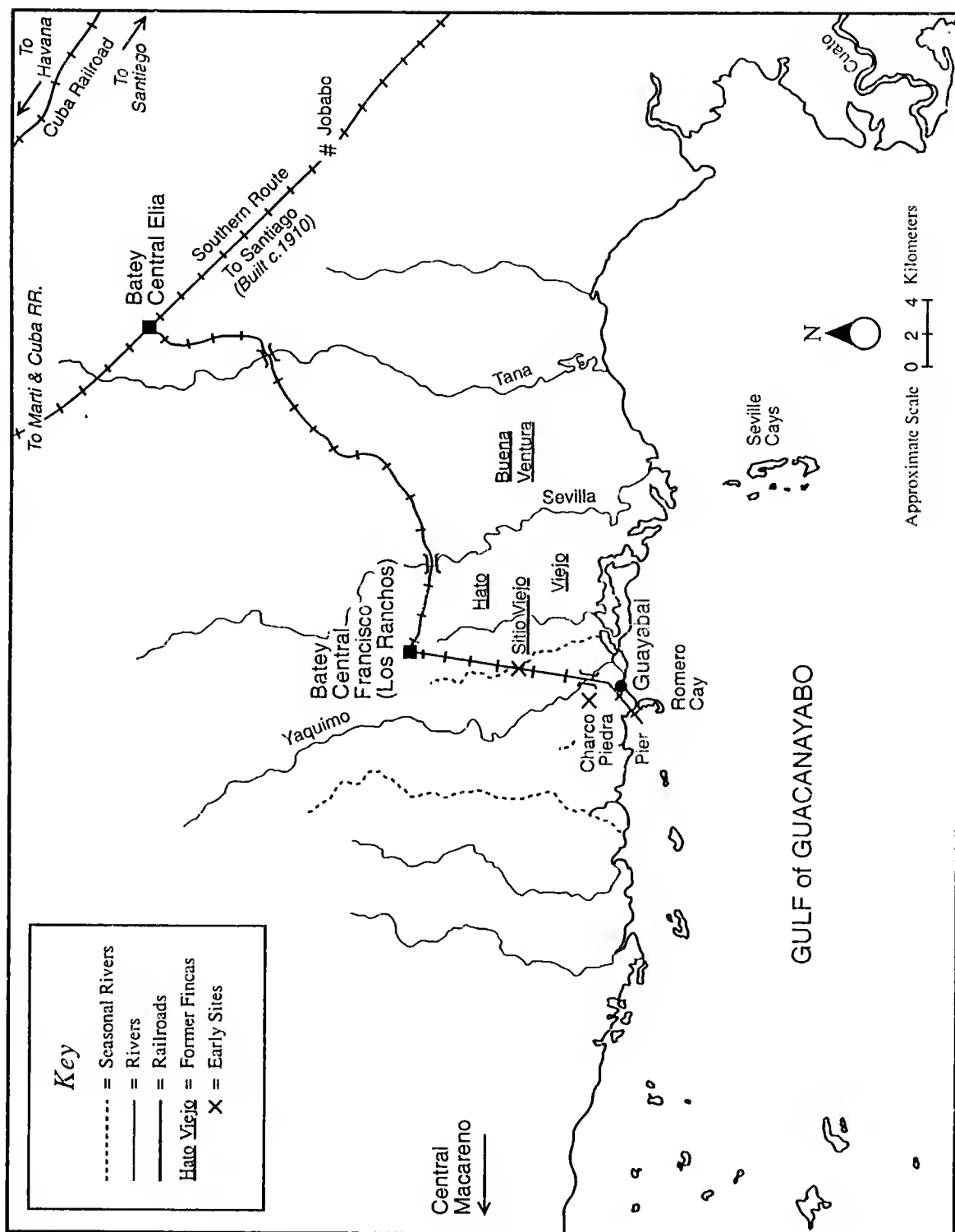


Figure 0.2 The Francisco Sugar Estate and environs

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By

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Chairman: Murdo J. Macleod  
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Technological invention and adaptation in sugar technology was stimulated in Cuba by European beet sugar competition to counter a weak market resulting from this competition. The development of larger mills and radical changes in postemancipation relations of production, characterized by the evolution of the colono system, fueled internal contradictions within Cuban society. This led to a severe economic crisis, in turn triggering a political and social crisis based on the profound social and political alienation endemic to Cuba through most of the nineteenth century. The result was the War of

Cuban Independence. The destruction and disruption suffered by the sugar industry postponed further adaptation of new sugar technology and delayed the general modernization of sugar factories. Virtually the moment the war ended, however, foreign sugar capitalists such as Manuel Rionda began to establish new capital stock companies that channeled North American capital into Cuba, especially the eastern provinces. Rionda and others strove to make up for the lost time by building a number of mills of a size and technological sophistication beyond what Cuba, or the world, had yet seen. The first of these was the sugar estate Francisco.

Founded in 1899 on the wild south coast of Camagüey, Francisco encompassed approximately 46,000 acres of undisturbed jungle and rainforest. This study provides much detail regarding the making of the plantation from the financial, agricultural and manufacturing perspective. It also includes material on the natural environment and on local society.

The thesis of this work is that those sugar capitalists who participated in the first wave of investment in eastern Cuba benefitted not only from cheap land and virgin soils, but also from the opportunity to remold the relations of production. They did so by transforming the *colono* system, formerly characterized by independent farmers, into a system of proletarian labor. This transformation presaged a national trend in association with *latifundia* promoted by North American capital. The creation of a rural proletariat had profound consequences for twentieth-century Cuba.

## INTRODUCTION

“It is, if one will but observe it, a fine and bitter fight, this that is being waged in Cuba to-day. No one who surveys the field can remain non-partisan. . . .”<sup>1</sup>

These words, from the concluding paragraph of Irene Wright’s famous descriptive work, serve well as a beginning to our study of Cuba in her critical hour. Wright, an intelligent and sensitive observer of the Cuban people, chose, in the end, to turn her back on Cuba and endorse the economic imperialism that characterized the “victorious invaders” who were her countrymen. This work is about one of those invaders.

### Primary Considerations

#### Background

In the early 1880s technological invention and adaptation in sugar technology (largely the result of experimentation in the beet sugar industry of France and Germany) was greatly stimulated in Cuba by European beet sugar competition. Falling prices, a direct result of this competition, led to a severe economic crisis in Cuba, which in turn triggered a political and social crisis based on profound grievances and social alienation endemic to Cuba through most of the

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<sup>1</sup> Irene A. Wright, Cuba. New York: The Macmillan Company, 1910.

nineteenth century. The result was the War of Cuban Independence. The widespread destruction and total disruption suffered by the sugar industry postponed further adaptation of new sugar technology and delayed the general modernization of sugar factories. Virtually the moment the war ended, however, sugar capitalists such as Manuel Rionda began to establish new capital stock companies that channeled North American industrial capital into Cuba, especially the eastern third of the island. Rionda and others strove to make up for the time lost as a result of the war by building mills of a size and technological sophistication beyond what Cuba, or the world, for that matter, had yet seen. Table 0.1 below gives some indication of the phenomenal growth of the Cuban sugar industry during the first quarter of the century compared to other sugar-producing areas of the world.

Table 0.1. Production of Sugar by Area in 4 Year Averages from 1916 with the Average of 1912-1914 (3 years) (sums in thousands of English tons).

| Area                     | 1912-1914    | 1916-1920      | 1921-1925      | +/- %       |
|--------------------------|--------------|----------------|----------------|-------------|
| Louisiana and Florida    | 245          | 206.8          | 208.9          | -18%        |
| Puerto Rico & Virgin Is. | 355          | 416.3          | 403.9          | +17%        |
| <b>CUBA</b>              | <b>2.307</b> | <b>3.461.5</b> | <b>4.183.2</b> | <b>+81%</b> |
| Dominican Republic       | 96           | 146            | 213.5          | +123%       |
| Haiti                    | ----         | ----           | 8.6            | ----        |
| Central America          | 22           | 31             | 70.1           | +218%       |
| Mexico                   | 143          | 63.5           | 144.3          | +07%        |
| British West Indies      | 74           | 187.9          | 164            | +122%       |
| French West Indies       | 72           | 65.1           | 56.7           | -21%        |
| Argentina                | 202          | 125.5          | 254.7          | +26%        |
| Brazil                   | 345          | 334.9          | 649.5          | +88%        |
| Peru                     | 222          | 485.7          | 312.6          | +41%        |
| British Guyana           | 92           | 107.1          | 97.1           | +5%         |

Source: Luis V. de Abad. Azúcar y Caña de Azúcar. La Habana: Editorial Mercantil Cubano, S.A., 1945, p.26. Selections and extrapolations from Table 4:

## The Movement of Sugar Production to Eastern Cuba

Manuel Moreno Fragnals, Hugh Thomas, Ramiro Guerra y Sánchez, Julio LeRiverend, Louis A. Pérez, Jr., Rebecca Scott and other students of Cuban history have made reference to the dramatic movement of sugar capital from the western provinces to the two former eastern provinces of Oriente and Camagüey.<sup>2</sup> As Pérez points out, most of these mills were erected with U.S. capital. Of 35 *centrales* built in the two eastern provinces between 1899 and 1918, 24 were North American.<sup>3</sup> This study, based largely on documentary evidence from the Braga Brothers Collection, curated in the University Archives of the Smathers Library, University of Florida, further examines that phenomenon, so consequential for twentieth century Cuba.<sup>4</sup>

Our aim here is to investigate the reasons that, within the context of this critical historical conjuncture and that of the world economy, this shift occurred. Our analysis is referenced to the hard business decisions made in the founding and capitalization of the Francisco Sugar Company and more particularly to the way the management of that company sought to organize and reorganize the relations of production.

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<sup>2</sup> The old province and city of Puerto Príncipe officially became Camagüey in 1901. In common practice, the indigenous name had long been used for the region. As do many contemporary sources, we will use the names interchangeably through 1900 and Camagüey thereafter. The respective adjectival forms are Principeño and Camgüeyeño.

<sup>3</sup> Louis A. Pérez, Jr. Lords of the Mountain: Social Banditry and Peasant Protest in Cuba, 1878-1918. Pittsburgh: University of Pittsburgh Press, 1989, p.156.

<sup>4</sup> The Braga Brothers Collection is, to our knowledge, the largest single assemblage of documents regarding Caribbean sugar in the world.

## The Colonato

A principal theme of this study surrounds that institution known as the *colonato*, or the *colono* system.<sup>5</sup> This system emerged around 1880 in response to several fundamental changes occurring in the sugar industry at the time, including the total reorganization of the relations of production during the somewhat protracted abolition of slavery.<sup>6</sup>

The grueling Ten Years War took a great toll among the many small *ingenios* of the eastern and central provinces. In addition, changing world market forces began to suppress sugar prices by the mid 1880s, resulting in a drastic diminution of the number of *ingenios* grinding in the old western sugar districts of Havana and

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<sup>5</sup> The term "*colonato*" may refer either to the contract between the grower and the *central* or to the *colono* system as a whole. Here the term is used in the latter sense with one or two exceptions that are obvious in context.

<sup>6</sup> Academics do not entirely agree as to the underlying causes of these fundamental changes. Laird Bergad asks, "Was the crisis of the 1880s caused by structural difficulties endemic to the sugar economy that could be resolved only by a radical transformation of the labor and capital basis of the industry? Or was the crisis the result of abolition?" Cuban Rural Society in the Nineteenth Century: The Social and Economic History of Monoculture in Matanzas. Princeton, N.J.: Princeton University Press, 1990, p. 339. Bergad goes on to argue that the slave-based sugar economy was still viable. He admits that the new *centrales* were more efficient, but goes on to say that "this does not mean that old, slave-based *ingenios* could not have produced at smaller profit margins well into the 1880's had abolition not been imposed on the plantation owners." In this we believe he is wrong. Bergad fails to take into account the razor-thin margins of profit that those sugar manufacturers who survived were operating under, especially after 1883. Slavery did not fade away with relatively little resistance from the planter class because the proper historical moment had arrived, but because there were strong underlying economic forces that mitigated in favor of a more efficient system. The fall in the price of steel, the rise in European beet sugar production, the concomitant progress in sugar technology--all of these factors contributed to the revolutionary change in the relations of production in Cuban agriculture in the period 1875 to 1895. Without abolition, Cuba could never have successfully competed in the world sugar market. Ironically, if abolition had been delayed, there is just a chance that Cuba would have developed a diversified economy as other areas of sugar production supplanted her international market share.



Matanzas provinces.<sup>7</sup> In their place were erected larger mills, called *centrales*, which primarily owed their existence to the steep decline in the price of steel rails. For the first time it became economical to construct lightweight rail lines into the surrounding cane fields, thus obviating the need to haul cane by ox cart down mud-deep lanes to the mill. The introduction of railroads to the cane fields represented a major advance in the forces of production, which had profound implications for the relations of production, for the entire political economy and, in fact, for social relations throughout Cuba.

The *centrales* expanded their holdings, rapidly absorbing the lands of the old *ingenios* of Matanzas, Santa Clara, and the remaining sugar districts of western Cuba. Once limited in extent by the distance a team of oxen could, practically speaking, haul a heavy cart of cane, now the extent of the unit of production was limited only by its means to buy more land and rails and to find people to do the work--or in other words, its access to capital, credit, and labor.

All three elements were limited, however, particularly the last. The anticipated rapid proletarianization of rural labor did not occur after abolition, and the sugar companies quickly realized that there were advantages to separating the agricultural component of sugar production from the manufacturing side, thus leaving the problem of

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<sup>7</sup> In 1878, even after the destruction of the war in the East, there were 1190 *ingenios* on the island. By 1891 the number had dropped to 850, and by 1899, after the destructive war with Spain, only 207 mills remained. Julio LeRiverend, Historia Económica de Cuba. La Habana: Editorial Pueblo y Educación, 1974, p. 497. In Matanzas, the most productive province in Cuba, the number of mills fell from 517 in 1877 to 33 in 1900. Fé Iglesias García, "The Development of Capitalism in Cuban Sugar Production, 1860-1900," in Between Slavery and Free Labor: The Spanish-Speaking Caribbean in the Nineteenth Century, Manuel Moreno Friginals, Frank Moy Pons, and Stanley Engerman (eds.). Baltimore: Johns Hopkins University Press, 1985, p. 73.

labor, by and large, to surrounding cane farmers from whom the *centrales* bought their cane. Some members of this newly emerging sector were former owners of the abandoned *ingenios*. The *centrales* also began to lease portions of their own lands to landless cane farmers who grew cane on contract, just as did the landed growers, but on less advantageous terms. Both groups were known as *colonos* and their lands, owned or leased, were called *colonias*.<sup>8</sup>

As the expansion of the *centrales* progressed to the point at which there was no more sugar land left unsold, unleased, or uncontracted between them and the next central, competition for cane began to increase; the price of cane was driven up and the *colonos* profited. The sugar market, however, was chronically low; in years of slightly better prices, mills used their profits to invest in more modern machinery and thus reduce the cost of production. But as sugar prices declined further and unfavorable tariffs obtained, the sugar interests looked increasingly to the *colono* to take the losses in order to maintain the companies' profit levels. The plight of the *colonos* in the years 1893 and 1894 undoubtedly contributed to the revolutionary spirit that finally pushed Spain off the island.

The Cuban War of Independence left the island in a state of ruin. Twelve percent of her population and two thirds of her wealth were lost.<sup>9</sup> Agriculture and the *colonos* in particular suffered terribly, and Major-General Leonard Wood, head of the military occupation government refused to request aid for small farmers.

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<sup>8</sup> Similar systems already existed in Brazil and the French Caribbean.

<sup>9</sup> Charles Harcourt Ainslie Forbes-Lindsay, Cuba and Her People Today. Boston: L.C. Page & Company, 1911, p. 76.

Throughout the hardships and hazards of the war of independence the insurrectos were supported by the belief that American enlistment in their cause, upon which they counted for success, would be followed by an era of permanent prosperity for the masses. The man who bore the brunt of the fighting, buoyed by these high hopes, realizes now that he was exploited by a handful of his own countrymen and deserted by his expected saviour.<sup>10</sup>

Like that of other sectors of Cuba's population the *colonos* situation continued steadily to worsen on into the twentieth century. As the demand for labor increased with the expansion of sugar into areas where cane had never been grown before, as in the 1880s, labor became a scarce commodity. The cost of labor escalated in conjunction with a general inflation of basic consumer goods, but *colonos*, especially those who leased on the eastern estates such as Francisco, continued to be paid at the same rate for their cane. And like labor, of which these *colonos* were truly a part, alternative ways of earning a living were ever diminishing with the increasing hegemony of export monoculture, much of it controlled by foreign capital.<sup>11</sup>

This study describes the total environment of one of the first sugar estates to be built in eastern Cuba by North American capital. In so doing, it highlights the role of the *colonos*, attempts to analyze the economic realities of their lives, and to identify their concerns,

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<sup>10</sup> *Ibid.*, p. 149.

<sup>11</sup> Sidney Mintz, in his analysis of postemancipation societies in the Caribbean, describes the "two jaws of Caribbean plantation discipline." These were the increase in the labor supply and the reduction of alternatives to plantation employment. This analysis does not pertain to Cuba for the period of Mintz's concern, as eastern Cuba offered much available land for alternative ways of living, but does work well for the era of sugar expansion in early twentieth century Cuba as latifundia increased and the lands in the East were appropriated by capital. Caribbean Transformations. Chicago: Aldine Publishing Company, 1974, p. 215.

their loyalties, and their place within the total scheme of the plantation.

The present work brings evidence to light that indicates that Manuel Rionda and the Francisco Sugar Company, in the vanguard of the movement into the East after the war, desired a new relationship between *colonos* and management. Indications are that as early as 1900 Rionda was interested in transforming the colonato from a farming system characterized by independent or quasi-independent farmers, its old prewar form in the West, to a system in which these farmers were nothing more than poorly paid employees or proletarian labor. By virtue of a combination of changing economic conditions both within and beyond the Francisco sugar estate, effectually eroding the income and leverage of the *colonos*, and Rionda's steady vision of an ideal labor system yielding maximum profits, he succeeded in subordinating the *colonos* to the point at which, for some, alienation became violent rebellion.

### Other Considerations

#### The Material World of a Twentieth-Century Sugar Estate

##### The natural environment

The felling of the West Indian forests was one of the great environmental disasters of modern history. By the turn of the twentieth century the only virgin stands left in Cuba were found in limited areas in the mountains of Oriente and along certain remote coasts on the eastern end of the island such as that of southeastern Camagüey. With the felling of Francisco's forest we see the beginning

of the end for what was left of Cuba's lowland tropical habitats. Teresa Casuso poignantly recalls childhood memories of the burning of the eastern forests:

I remember, in Oriente, the great impenetrable forests that were set aflame, whole jungles that were fired and razed to the ground to make way for the sugar cane. My parents were in despair for that lost wealth of beautiful, fragrant tropical wood -- cedar and mahogany and mastic, and magnificent-grained pomegranate -- blazing in sacrifice to the frenzy to cover the countryside with sugar cane. In the nights the sight of that flaming horizon affected me with a strange, fearful anxiety, and the aroma of burning wood down from so far away was like the incense one smells inside churches.<sup>12</sup>

Chapter I focuses on first the natural environment surrounding the site of the future sugar estate and completes this tableau with a description of the human environment that Rionda and his associates first encountered on that remote Caribbean coast. Rionda was less insensitive to nature than to Cuban *guajiros* (rustics), though his sensitivity failed to save a single tree where cane could be planted in its place. He was, however, aware of his debt to the natural world:

The great portion of our present profits are derived more from the bountiness of nature and the profitable business, than from any scientific methods of ours. In other words, our abilities, economic methods, and modern machinery have no reasons to be credited with any of the financial success of the company in the past. . . . We are robbing nature of her fertility and crediting that as profits in our plant.<sup>13</sup>

### The built environment

The bulk of this study is concerned with precisely how a large sugar estate was developed in turn-of-the-century eastern Cuba. Much detail is provided on the actual physical construction, the means and methods (many of them experimental) of clearing,

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<sup>12</sup> Teresa Casuso, Cuba and Castro, trans. Elmer Grossberg. New York: Random House, 1961, p. 9. Cited in Pérez, Lords of the Mountain, p.157.

<sup>13</sup> MR to Alfred Jaretski, undated (c. March 27, 1912), BBC, Ser. 2.

planting, and constructing the mill, the railways, the wharf, etc. Innumerable problems were encountered and overcome, cost estimates proved to be far wrong, and the human element often produced unexpected outcomes. Without really knowing, in detail, how a project of this magnitude was accomplished, theory is without foundation.

### The Frontier

This work is informed by studies of other frontiers of capital's advance, which was the principal theme of this author's master's thesis concerning the Zambezi Valley of Mozambique in the late nineteenth and early twentieth century. Precisely the same source of capital drove sugar estate development in the Quelimane District of the Zambezi Valley and in Camagüey Province, Cuba.<sup>14</sup>

### The Great Tradition of Rebellion in the East

The rural people of eastern Cuba have long held the reputation of a restless and independent lot, always ready to rebel against authority whether it stemmed from Madrid, Havana, or even Santiago (the old revolutionary town of Bayamo is not far from Francisco). The Braga documents record a series of labor crises and numerous incidents of rural insurgency during times of national

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<sup>14</sup> Ceasar Czarnikow of London financed both J.P. Hornung in his African operations and Manuel Rionda in Cuba. See Chapter VIII for a discussion of the theoretical implications arising from a comparison of these two sugar ventures.

crisis.<sup>15</sup> Francisco's history reflects this Eastern historical tradition of being the seedbed of revolution. The company's relations with the *colonos* at the estate contributed to that tradition. The *colonos*, as supervisors of work gangs during the *zafra* (harvest), were in a position to influence the cane cutters also, even commanding small armies that roamed the countryside burning the cane, an act that always drew the attention of the authorities.<sup>16</sup> In their participation in this tradition of resistance, Francisco's *colonos* also contributed to the later dramatic events of the twentieth century such as the Revolution of 1933--which is often thought of as a precursor to that of 1959.<sup>17</sup>

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<sup>15</sup> In recent history the forests of the Sierra Madre have provided protection for the Fidelistas, allowing them to nurture and build their support until the time ripened for their triumph.

<sup>16</sup> In the World War I period and later labor was brought from other islands on contract and would have been less interested in participating in Cuba's periods of sociopolitical upheaval. This factor undoubtedly made migrant labor more attractive to management.

<sup>17</sup> Nearby Manzanillo organized one of the first *Agrupaciones Comunistas* outside of Havana in 1921 or 1922. In 1921 a labor incident on the Cuba Railroad elicited the remark from the president of the railroad that southeastern Cuba was "a hotbed of Bolshevism." Hugh Thomas. *Cuba: The Pursuit of Freedom*, p. 576, and 551. Thomas doubts the accuracy of the word "Bolshevism," tracing the origins of Cuba's radical left to anarchists and former anarchists along with a few socialists.

## CHAPTER I THE ENVIRONMENT

### The Extant Natural Environment of the Southeastern Coast of Cuba in the Late Nineteenth Century

#### The Physical Geography

When Manuel Rionda developed the Francisco Estate, he pioneered the first large, modern sugar plantation in a part of Cuba that was to become a major sugar-producing region of the island.<sup>1</sup> What, then, were the physical features of the area Rionda chose as the site of his new endeavor?

Cuban geographers categorize their island in regions and subregions. The Francisco lay in the subregion of Southern Camagüey, which is described as a level plain with isolated hills toward the interior leading to more hills as one moves north and inland. The western boundary is imprecisely defined by "La Trocha," which can mean ditch but can also mean simply "boundary," and the eastern boundary is by the Río Jobabo, which separates the area from the Cauto Plain (some authors consider this all one). Thus, this subregion

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<sup>1</sup> The cane district of southern Camagüey as of 1957 produced about nine percent of Cuba's total production and exported about twelve percent from its ports. Leví Marrero y Artiles, Geografía de Cuba. La Habana: Editorial Selecta, 1957, p.575.



includes the Municipios of Santa Cruz del Sur, most of Florida and part of Camagüey and Guáimare.<sup>2</sup>

In the interior, a *mesa* rises slightly from west to east upon which several heights protrude abruptly above the plain. These are called El Grupo de Najasa and are integrated with the Sierras de Najasa, Guanicanamar and Chorillo among others. This inland plain is predominantly limestone of the Cretaceous period, but as one moves southward toward the Caribbean coast, one encounters a narrow zone of Eocene rock followed by Miocene limestone that constitutes the coastal plain, and finally the actual litoral composed of Pleistocene rock beneath the coastal swamps and marshes.<sup>3</sup>

These mangrove swamps and marshes extend almost uninterrupted across the south coast of Cuba from Cabo Corriente in Pinar del Río to Cabo Cruz in Oriente.<sup>4</sup> Along the south coast of Camagüey the coastal swamps are due to the lack of relief in the immediate interior. Further inland, between Florida and the Río Jobabo, however, drainage is sufficient as a number of small rivers traverse the region north to south. These include the Vertientes, Santa María, Altamira, San Pedro or Camujiro, the Tana, and Najasa, which was utilized during the rainy season for floating wood to the coast at Santa Cruz del Sur, and the Francisco's Río Sevilla. Many of

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<sup>2</sup> Levi Marrero y Artiles, Geografía de Cuba, p. 572.

<sup>3</sup> *Ibid.*

<sup>4</sup> The only interruption is in the Trinidad area where the hills meet the sea.

these rivers flood during the rainy season and overflow onto the low, coastal plain to be finally dispersed into the coastal swamps.<sup>5</sup>

The coastal shelf is quite wide and provides a valuable breeding ground for fish, especially the *biajaibas* (*Neomaenis synagris*). The seawater is clear, the color, aquamarine, and the many *cayos* that form what Columbus called Los Jardines de la Reina (Gardens of the Queen) dot the horizon. In 1900 no significant ports were to be found along this coast except that of Santa Cruz del Sur, which had to be constantly dredged.

Before the first pick gouged *la tierra Camagüeyana* Manuel Rionda was aware that not all the land at Guayabal was suitable for cane. It was obvious that the litoral zone would not support agriculture, but he had observed that at about four and one-third miles inland the land began to rise and was covered in higher vegetation. "Doesn't it follow," Rionda asks, "that a place some distance from the coast is better land?"<sup>6</sup> This was probably the Miocene limestone shelf described by Leví Morrero. Whenever visitors and prospective investors toured the new estate, Rionda was

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<sup>5</sup> Leví Marrero y Artiles, *Geografía*, p. 573. Rionda mentions the need to drain portions of the land to prevent seasonal flooding. MR to McCahan, June 22, 1900, BBC, Ser. 2. "With a little rain lakes are formed in various places." MR to Coma, April 21, 1900, BBC, Ser. 2.

<sup>6</sup> MR to Juan Clark, March 28, 1899, BBC, Ser. 2. In March of 1899 Juan Clarke inspected the property at Guayabal with two other men. They took three horses and rode over the land, reporting that all the coast was low, swampy and useless for cane and could serve only for pasture. This "bad land" was said to have had only a little low vegetation. About 2 miles inland the land improved, but had only a low vegetative cover; but earth brought up in the ant hills was of another color, dark yellow and not black like that of the forest lands; that soil would produce cane but it would have to be replanted after a few crops, according to Clark. At four miles inland they encountered higher lands with more and taller vegetation, which Clark declared had some chance of being more than sufficient upon which to place a central. "But in all the land across which we walked," said Clark, "there was none which one could say was superior sugar land which would produce cane for 15 to 20 years without replanting." Juan Clark to MR., March 21, 1899, BBC, Ser. 1.

always insistent that they be shown the northern part of the lands including the higher lands and ranches, La Trocha, "and around Madre Vieja up to Yaquimos."<sup>7</sup>

The Río Sevilla, which wound about the northeastern and then eastern portions of the estate, was a small but navigable river for shallow draft vessels such as barges and little tugs. It was described by Mrs. C.P. Wallace early in the rainy season as "pretty, but very low at this season,--the banks are steep and the trees and vines very dense."<sup>8</sup> At the mouth of the Río Sevilla was what was described by the Spanish naturalist Antonio Perpiña as a dangerous bar, which probably limited the commercial utility of the river.<sup>9</sup>

### The Climate

The climate of the southeast coast of Cuba is that of the wet-dry tropics. The distinctive feature of the Aw (Köppen) climates is the high average annual rainfall range between the dry months coinciding with winter and the wet months coinciding with summer. As a tropical climate, the temperature regimes reflect high minimum averages with the coolest month having a temperature of 18° C. or above. The marine influence prevents excessive heat in any part of Cuba, coastal locations in particular: Havana, for instance, never

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<sup>7</sup> MR to Coma, January 5, 1900, BBC, Ser. 2. These places are located and described in Chapter IV.

<sup>8</sup> C.P. Wallace to Maud Braga, June 2, 1904, BBC, uncatalogued typescript.

<sup>9</sup> P. Antonio Perpiña y Pebernat, El Camagüey: Viajes Pintorescos por el Interior de Cuba y por sus Costas con Discripciones del País Barcelona: Librería de J.A. Bastinos, Librería de Luis Niubó, 1889, p.307.

exceeds an average monthly temperature of 27°C. and that in only the one month of August.<sup>10</sup> Daytime highs rarely surpass the 31°C. mark.

Frost and freezing temperatures are limited in Cuba to the higher elevations of the Sierra de Trinidad in Las Villas and the Sierra Maestre in Oriente and are unknown in coastal Camagüey.<sup>11</sup>

"The day in the morning is beautiful and bright and stays that way until about two o'clock when it pours -- and weeps for all exiles." Thus Mrs. C.P. Wallace describes the rainy season at Guayabal.<sup>12</sup> The rains begin to build in the middle of April and decline in mid-October. July and part of August is often a period of slack rainfall referred to as *la pequeña estación seca*.<sup>13</sup> This period is given to droughts that can be devastating at that point in the growing season. Such a drought occurred in 1899, its effects being felt over much of Cuba.<sup>14</sup> The average rainfall in Camagüey, though

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<sup>10</sup> Antonio Núñez Jiménez, Geografía de Cuba. (6 Volumes). La Habana: Instituto Cubano del Libro, 1972, p.125. See also Salvador Massip, and Sarah E. Ysalgué Massip. Introducción a la Geografía de Cuba. La Habana: Fiallo y Hermanos, 1942. Note figures 112 and 113, pp. 186 and 188, showing precipitation in December and June.

<sup>11</sup> Albert J. Norton, Norton's Complete Handbook of Havana and Cuba. Chicago and New York: Rand McNally & Co., 1900., p. 205. Frost in the mountains is widely reported in the literature and was further confirmed by personal conversations with Cuban agricultural officials in 1991. There was even a reported frost near sea level in the Trinidad area during the great cold wave of 1835, which produced a six degree F. reading at St. Augustine, Florida. For agricultural purposes, however, all of Cuba may be considered a frost-free environment.

<sup>12</sup> *Ibid.*

<sup>13</sup> Salvador Massip, and Sarah E. Ysalgué Massip. Introducción a la Geografía de Cuba, fig. 115, p. 193.

<sup>14</sup> La pequeña estación seca ends as lowering pressures in the Caribbean basin usher in the season of tropical waves and disturbances. Rionda, on hearing that a "cyclone" had struck Puerto Rico, wrote Ahern that he assumes that rain had finally come to eastern

variable, is equal to or greater than that of the island's average as a whole. The interior receives more rain than the coast, but the coast retains more water due to poor drainage.<sup>15</sup>

Table 1.1. below is a record of rainfall at the estate over an eight year period.

Table 1.1 Mensural rainfall at the batey, seasons 1910/11-1920/21.

| Mo.   | 1910-<br>1911 | 1911-<br>1912 | 1912-<br>1913 | 1913-<br>1914 | 1914-<br>1915 | 1915-<br>1916 | 1916-<br>1917 | 1917-<br>1918 | 1918-<br>1919 | 1919-<br>1920 | 1920-<br>1921 |
|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| July  | 6.00          | 5.84          | 8.06          | 12.45         | 2.17          | 7.66          | 6.67          | 1.30          | 5.72          | 10.20         | 21.51         |
| Aug.  | 5.47          | 5.64          | 7.16          | 8.85          | 5.11          | 8.95          | 4.58          | 2.88          | 10.78         | 6.13          | 14.72         |
| Sept. | 4.95          | 4.47          | 2.46          | 8.80          | 7.09          | 4.86          | 6.23          | 8.08          | 10.31         | 13.56         | 10.92         |
| Oct.  | 6.41          | 1.85          | 4.76          | 1.69          | 10.32         | 4.96          | 3.14          | 4.98          | 9.45          | 9.51          | 12.89         |
| Nov.  | 1.12          | 1.80          | 5.86          | 1.40          | 1.43          | 4.96          | 3.14          | .60           | 2.25          | .40           | .10           |
| Dec.  | .05           | .57           | .11           | .25           | .23           | .52           | 4.39          | .30           | 4.27          | 4.41          | 6.79          |
| Jan.  | .87           | 1.59          | .43           | .97           | 2.94          | .35           | .00           | .22           | 2.32          | 2.96          | 8.92          |
| Feb.  | .09           | 3.21          | .14           | .50           | .43           | .07           | .10           | 1.70          | .23           | 1.15          | .03           |
| Mar.  | .37           | 2.85          | 1.96          | .35           | 3.02          | .56           | 1.82          | 2.67          | .00           | 3.15          | 7.75          |
| Apr.  | 5.55          | 1.49          | 6.39          | 7.09          | 2.49          | 1.65          | .06           | 4.00          | .83           | .55           | 9.27          |
| May   | 7.73          | 11.22         | 4.57          | 6.08          | 4.84          | 11.53         | 4.91          | 9.07          | 10.47         | 20.74         | 41.03         |
| June  | 11.66         | 12.57         | 6.94          | 6.86          | 3.52          | 23.72         | 13.72         | 7.82          | 25.93         | 25.02         | 38.61         |
| Tot.  | 50.27         | 53.10         | 48.84         | 55.29         | 43.59         | 65.50         | 49.45         | 32.62         | 82.56         | 97.78         | 172.54        |

Source: Manager's Journal, Francisco Sugar Company, BBC, Ser. 96.

Note that the year of highest rainfall, 1915/16, received over twice the rain of the driest year, 1917/18. The documents indicate that in isolated earlier years the ratio between the wettest and driest years was even greater, being on the order of one to three.

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Cuba. MR to Ahern, August 26, 1899, BBC, Ser. 2. Droughts occasionally occur as a result of a prolongation of the dry season in May and June, the most severe of which were in 1859 and 1945. Special Report of the Agricultural Attaché, United States Embassy, Havana, June 19, 1945, cited in Lowry Nelson, Rural Cuba, Minneapolis: Colwell Press, 1950, p. 54.

<sup>15</sup> Levi Marrero y Artiles, Geografía de Cuba, p. 573.

As further corroboration, we have rainfall data collected over an uncited time period for two locations within fifty miles of Guayabal. Batey Río Cauto is east of Guayabal in the lower Cauto Valley of Oriente, and Batey Siboney is north of Guayabal in the interior of east-central Camagüey. The monthly profiles of these two stations are quite similar, each indicating that May through October are the months of heaviest rainfall and December through March are distinctly dry.<sup>16</sup>

The high variability of annual rainfall is not indicated by generalized world maps designed to show this particular climatic feature. A possible explanation is that on average such extremes occur only rarely, but when they do occur, their deviance from the norm seems excessive. Abnormally high totals are often associated with slow-moving tropical storms and hurricanes, while long droughts (undetectable by our data) may be attributable to an

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<sup>16</sup> Antonio Núñez Jiménez, *Geografía de Cuba*, pp. 126 (foldout) Extrapolations from mensural rainfall bar columns indicate the following approximate figures:

Approximate Mensural Minimum, Maximum, and Average Rainfall Data from Batey Río Cauto and Batey Siboney, Cuba (Period of observations not indicated).

|              | Min. | Av.  | Max. | Min. | Av.  | Max. |
|--------------|------|------|------|------|------|------|
| January      | 0    | 20   | 120  | 0    | 20   | 100  |
| February     | 0    | 30   | 75   | 0    | 30   | 120  |
| March        | 0    | 40   | 60   | 0    | 40   | 140  |
| April        | 0    | 100  | 350  | 0    | 100  | 250  |
| May          | 75   | 200  | 500  | 25   | 100  | 475  |
| June         | 90   | 200  | 500  | 50   | 200  | 550  |
| July         | 30   | 150  | 300  | 60   | 150  | 300  |
| August       | 40   | 150  | 275  | 60   | 200  | 350  |
| September    | 50   | 175  | 300  | 30   | 200  | 350  |
| October      | 40   | 150  | 250  | 20   | 150  | 300  |
| November     | 0    | 50   | 125  | 0    | 50   | 175  |
| December     | 0    | 20   | 75   | 0    | 20   | 100  |
| Total of Av. |      | 1185 |      |      | 1120 |      |

anomalous veer or regional failure of the Northeast Trades resulting in a rain shadow effect in areas to the southwest of Oriente's sierras.

Hurricanes are not as common in the eastern part of the island as in the western districts giving agriculture a slight advantage in the eastern provinces in this respect.<sup>17</sup>

The second period of the double-maximum rainy season usually ends in late October or early November. By December the effects of the dry season are distinctly seen as the natural vegetation retreats into a semidormant state, many semideciduous trees losing a third to two thirds of their foliage.<sup>18</sup> A resident of the Francisco Estate, Will Ahern, wrote to Manuel Rionda on the day after Christmas to report that the dry season had set in and the only precipitation was in the form of occasional light showers. The daytime temperature was a cool 70°F. (21°C) and the nights are described as "very chilly."<sup>19</sup> This type of weather was the signal for the *zafra* to begin.

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<sup>17</sup> See Salvador Massip, and Sarah E. Ysalgué Massip. Introducción a la Geografía de Cuba, pp. 200-201 for a listing of destructive hurricanes that struck Cuba in the nineteenth and early twentieth centuries. See also Antonio Núñez Jiménez, Geografía de Cuba, (Vol. 1), pp. 128-129, for a map showing hurricane paths for approximately the same period.

<sup>18</sup> "During late March or early April, the island viewed from an airplane looks parched and brown....Indeed, what would be the spring months in the northern latitudes exhibit in Cuba many of the aspects of a northern autumn." Lowry Nelson, Rural Cuba, p. 53.

<sup>19</sup> W.J. Ahern to MR, December 26, 1899, BBC, Ser. 2. If Ahern was correct, the island must have been under the influence of a strong continental high pressure system. Normal daytime temperatures in December in Guayabal are eight to twelve degrees higher than the 70° reported by Ahern.

## The Vegetation

The southeastern coast of Cuba at the time of Francisco's founding was a patchwork of districts of highly variable development. Some areas had, for at least half a century, known the exploitation of man, while others, such as the Guayabal-Río Cauto coast, were only then succumbing to the oxen and the axe. Thus by 1900 many of the extensive forests of the region, particularly toward Santa Cruz del Sur and the west, had been cut, in some cases to make way for agriculture and in others for their valuable timber alone.<sup>20</sup>

Cuba's most noted modern botanist, Hermano León, classifies vegetatively a coastal strip of southern Camagüey between about five and ten kilometers wide as a mangrove community.<sup>21</sup> Here are found the ubiquitous, pan-tropical mangroves that, with their maze of arterial roots, trap tideborne flotsam along with riverborne debris and silt to extend the land seaward while providing habitat for uncounted faunal species, terrestrial and marine.

Inland from the labyrinthine mangrove-lined waterways stood the great tropical forests. In the Guayabal region these were wet forests (some, the *itabos*, being actually inundated during the rainy season), while further to the west drier forests were encountered along with vast, open savannas scattered with various palmate

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<sup>20</sup> The sources do not indicate that the coastal forests of Camagüey were extensively cut for fuel for the ingenios as was the case in western and central Cuba.

<sup>21</sup> This is the typical mangrove community of the tropics and includes all four major species: Rhizophora mangle, Laguncularia racemosa, Conocarpus erecta and Avicennia nitida. Hermano León, Flora de Cuba, (2 Vols.), (Vol. I.) La Habana: Cultural, S.A., 1946, p. 47 and map on endpapers.



palms, predominantly of the genus *Sabal* and *Copernicia*.<sup>22</sup> Both the wet and dry forests were composed of many valuable tropical timber species. There were the *bosques de júcaro*, the various júcaros of the genus *Bucida* being a much appreciated wood described as dark yellow to black in the heart with excellent rot resistance and thus often used for wharfs, fences, and railway ties; the Spanish cedar (*Cidrela* spp.) used for furniture, interior trim, cabinets, and especially cigar boxes; and, of course, mahogany (*Swietenia* spp.), the most widely harvested and highly prized of tropical timbers, the Cuban and Hispaniolan bringing the highest prices, used for furniture, cabinets, and wherever the rich beauty of this superb wood could be afforded.<sup>23</sup>

Another useful timber genus on the south coast was the various *Yayas* (*Oxandra lanceolata* and other spp.), which formed extensive colonies called *yayales*. Known as lancewood in English, the genus has had many uses including tobacco poles, for which no other wood was apparently acceptable, as well as construction materials for rural housing.<sup>24</sup> This highly flexible wood was also in high demand on the international market for the manufacture of carriage

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<sup>22</sup> Perpiña y Pebernat, El Camagüey:, caption opposite p. 378.

<sup>23</sup> On júcaro see Juan T Roig y Mesa, Diccionario Botánico de Nombres Vulgares Cubanos. Ministerio de Agricultura. Dirección de Estaciones Experimentales. Estación Experimental Agronómica. Boletín No. 54. La Habana: Seone, Fernández y Cía., 1953, p. 554. On the other woods mentioned see Tom Gill, Tropical Forests of the Caribbean. Tropical Plant Research Foundation. Baltimore: Read-Taylor Company, 1931, pp. 301-302 and Table 4, p. 318. Note that Spanish cedar is not a conifer, but a broad-leaved evergreen (see illustration opposite p. 94).

<sup>24</sup> Roig y Mesa, Diccionario p. 938, and Tom Gill, Tropical Forests, pp. 160-161.

shafts, fishing rods, and billiard cues.<sup>25</sup> Other tree species of use to man among the several hundred that grew in these forests were the *dagame* (*Calycophyllum*), *majagua* (*Hibiscus*) and *santa maría* (*Calophyllum Calaba*), this last nearly as valuable as mahogany.<sup>26</sup> *Sabicú* (*Lysiloma latisqua*), also excellent for railway ties, *moruro [rojo]* (*Pithecellobium arboreum*), *ácana* (spp. var.), *yaba* (*Andira Jamaicensis*), *yaití* (*Gymnanthes lucida*), *guairaje* (spp. var.), *jobo* (*Spondias* spp.), *caoba* (spp. var.) and *almácigo* (*Bursera Simoaruba* (L.)) were all commercial species as well.<sup>27</sup>

In addition to the commercial timber species, palms were an important source of food (for both humans and animals) fiber, utensils and building materials. The Royal Palm (*Roystonea regia*) alone furnished the material for the making of baskets, brooms, cord, crates, scoops (*cutaras*) and leggings from the fronds and inflorescences (*palmiche*), water troughs, furniture, and houses (*bohíos*) from the trunks, palm oil and animal feed from the fruit,

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<sup>25</sup> The *yaya* wood, according to Higenio Fanjul, was "very much desired in Liverpool." He suggested that Rionda send a consignment of the wood to England via New York being certain that a sample went to Czarnikow. MR to Higenio Fanjul, March 22, 1902, BBC, Ser. 2. By 1907 all the *Yayas* on Francisco lands had been cut down. MR to John Craig, September 17, 1907, BBC, Ser. 2.

<sup>26</sup> *Ibid.* (Gill), pp.160-161 and pp. 310-314.

<sup>27</sup> Massip, and Ysalgué Massip. Introducción, p. 124. On the use of *sabicú* and *júcaro* as railway ties, see W.J. Ahern to MR, December 26, 1899, BBC, Ser. 2. On the use of *jobo*, see Manuel Moreno Fraginal's account of José de Arango's attempts to convince the sugar hacendados to use this wood for sugar boxes in the early nineteenth century. The Sugar Mill: The Socioeconomic Complex of Sugar in Cuba 1760-1860. Translated by Cedric Belfrage. New York: Monthly Review Press, 1976, p. 76.

and soup (*sopa de palmito*) from within the bud.<sup>28</sup> Other palm species were of great utility to the settlers of the southeast coast of Cuba, as well. The corajo palm (*Acocomia armentalis*), which grew abundantly on the lands of the Cuban-American Sugar and Land Company and on the Francisco lands also, was used to make cloth, rope and strong thread.<sup>29</sup> The cogollo palm heart was considered palatable by even the eurocentric Rionda.<sup>30</sup> Perhaps as many as ten palm genera and dozens of species are native to the Guayabal area, and it is likely that each was found useful to the population in some specific manner.

On September 29, 1899, the rainy season having returned in force after the unusually pronounced *pequeña estancia seca*, Will Ahern decided to ride up toward the northern end of the Francisco Estate. It was raining and Ahern found the "roads completely hidden from view in places on account of the thick foliage. . ."<sup>31</sup> We are reminded of Antonio Perpiña's description of that same vast forest.

Cuando el Río [Cauto] viene engrosado por las copiosas aguas del tiempo lluvioso, y las tempestades derriban extensos linderos de los grandes bosques; los arboles arrancados se agrupan en su prolongado cauce, y el cúmulo enorme de impetuosos inmensos terrenos, y transformando la perspectiva del dilatado pais. Las tempestades han causado allí grandes revoluciones. Es aquello un laberinto de lagos y de sitios inundados,

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<sup>28</sup> This *sopa de palmito* has a certain cultural and historical resonance with the Cuban people, as the *Mambises*, the insurgents of the Ten Years War, were driven to depend upon this soup for sustenance on occasion. Leví Marrero y Artiles, *Geografía*, (Vol. 3), p. 363.

<sup>29</sup> MR to J.F. Craig, February 5, 1902, BBC, Ser. 2. and Hermano León, *Flora de Cuba*, I., pp. 244-45.

<sup>30</sup> *Ibid.* The name "cogollo," meaning "heart" in Spanish, undoubtedly referred to an edible bud. Unfortunately, it has been impossible to cross reference this name with any other, scientific or common.

<sup>31</sup> W.J. Ahern to MR, September 29, 1899, BBC, Ser. 2.

envueltos entre las sombras y las grandes enramadas de aquellos bosques mágicos y sorprendentes.<sup>32</sup>

Today all these inland areas are classed as fertile, loamy savannas and are, for the most part, under cane.<sup>33</sup>

### The Human Environment

#### The Local Economy

When the Francisco Sugar Company came to Guayabal most economic activity was localized and dependent upon the relatively unsullied natural world, but the larger currents of highly capitalized international activities as well as some domestic enterprise had undoubtedly influenced the lives of the local people. The copper mines of Oriente, the vast cattle ranches of Camagüey, and even the relatively small *ingenios* of Manzanillo and Santiago de Cuba would have provided occasional or seasonal employment for those who required cash. In fact, the economy seems to have been generally monetized by our period, though much barter must have continued. The population of the district was so small, however, as to limit the import of economic activity by definition. Leví Marrero y Artiles

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<sup>32</sup> Perpiña y Pebernat, El Camagüey, p. 300. Translation: When the river [Cuato] becomes swollen with the copious waters of the rainy season, and the storms rain down upon the banks of the great forests, the proud, uprooted trees clump up within the long channel, and enormous piles form in these violent, immense lands, transforming the appearance of this broad land. The storms have caused there great revolutions. Here there is a labyrinth of lakes and flooded places, swirling in the shade of the great branches of these magical and astonishing forests.

<sup>33</sup> Hermano León, Flora de Cuba, pp. 56-57 and map on endpapers.

states that by the beginning of the Republican era the area was practically uninhabited.<sup>34</sup>

Harvesting of the precious woods of the region had been taking place "since the earliest colonial times";<sup>35</sup> this activity continued to be one of the three principal industries of the coast.<sup>36</sup> In the immediate vicinity of Guayabal some timber harvesting had been begun before the war by interests from Santa Cruz del Sur, but that operation was interrupted by the hostilities.<sup>37</sup> The major activity in the *pueblo* was fishing from the rich offshore banks and cays, but how far these fish were transported and to what market is not known.<sup>38</sup> Under the heading of fishing is generally included *la "pesca" de tortugas* which was a primary focus of activity among the fisherfolk of the south coast. The sea turtles (*Chelonia mydas*) were

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<sup>34</sup> Leví Marrero y Artiles, *Geografía*, p. 574. "I understand that the property is situated near a little town that had some inhabitants before the war but has very few just now." MR to Hugh Kelly, June 27, 1898, BBC, Ser. 2. The 1899 census recorded 3210 persons living outside the town of Santa Cruz del Sur in the Municipio Terminal of the same name. Apart from the town of Santa Cruz and immediate environs, this municipio included the barrios of Buenaventura, Guaicanamar, Junco, San Pedro, Calzada, and Guayabal. Leonard Wood, Civil Report of Major General, Military Governor of Cuba, 1900, 1901, 1902. Report for 1900. (8 Vol.) (Vol. 3) Report of the Civil Government of Puerto Principe, p. 13.

<sup>35</sup> *Ibid.* (Levi Morrero).

<sup>36</sup> "the exportation of lumber is the most important business of the district; connected therewith is the immense majority of its inhabitants and it furnishes an easy manner of living to all the residents, for which reason they are perhaps the most favored ones of the Province." Leonard Wood, Civil Report, (Vol. 3), p.13.

<sup>37</sup> MR to Salvador Fluiriach, August 2, 1899, BBC, Ser. 2. Perhaps influenced by Fluiriach's argument that the war years ought not be counted against his timbering contract, Rionda agreed to extend it for two years in exchange for cash or stock.

<sup>38</sup> The Cuban fishing industry had had a rather torpid history throughout the nineteenth century, what with problems of transport and preservation, lack of capital, vacillating or weak markets, arguments over fishing rights, etc. Julio LeRiverend, Historia Económica de Cuba, La Habana: Editorial Pueblo y Educación, 1974, pp. 374-76.

taken not only for meat, but also for their shells, which were sent to the larger cities, Havana in particular, for the manufacture of combs.<sup>39</sup>

Some tobacco may have been grown inland, as Perpiña mentions a tobacco wharf on the Río Sevilla.<sup>40</sup> He also notes that "cargoes of precious wood, a certain quantity of guano (palm thatching) and pelts" were shipped out from the estuary of the Río Jobabo.<sup>41</sup> Cattle were so predominant in the open savannas of the interior that the ranching life largely defined the culture of the Camagüeyeno, but lack of pastures (*potreros*) limited cattle production toward the southeastern coast of Camagüey. Honey was at various periods a significant source of income in the coastal area also.<sup>42</sup>

The local commerce in foodstuffs and other items required in everyday life was centered around the *bodegas*, which were, as Forbes-Lindsay states, common to the country crossroads and small towns.

At every cross-roads in Cuba and on every corner in the country towns there is the bodega. It is always a grocery, often a general store. Nine times in ten the proprietor is a Spaniard. His place may be a dingy, dilapidated shack. His stock may consist of little more than a barrel of the inevitable bacolao,--salt cod --a few strings of onions, and a dozen bottles of

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<sup>39</sup> *Ibid.*, p.376.

<sup>40</sup> Perpiña y Pebernat, *El Camagüey*, p. 307.

<sup>41</sup> *Ibid.* p. 305. It is difficult to explain the trade in guano, unless it was taken to urban residents in the larger towns along the coast as roofing material, which begs other questions having to do with access to the land, property relations, etc.

<sup>42</sup> Leví Marrero y Ariles, *Geografía de Cuba, op. cit.*, p.574. At least in the nineteenth century this was probably wild honey gathering.

aguardiente. But it is safe to wager that he is making money at a handsome rate of interest on his little investment.<sup>43</sup>

Perpiña offers an interesting and somewhat surprising description of the typical inventory of a *bodega Camagüeyana*. In so doing, he describes an establishment similar to what historians of the U.S. South have termed a "crossroads store," but which, in addition to the usual staples, offers various luxury items for the better off. The *bodega*, he says, has on hand a complete stock of fresh meat and jerked beef; it contains many hands of plantains, mountains of sweet potatoes, yucas, and yams, sacks filled with rice and beans, boxes of biscuits, cans of sardines from Nantes, jars of preserves of various types, sugarcane brandy, fine wines and exquisite liqueurs. In short, he states that these large stores had everything one would want to sustain life, plus various products appropriate to the tastes of wealthy men.<sup>44</sup>

Even at the time of Perpiña's writing (the late 1880s) more sophisticated influences were beginning to make themselves felt, at least in the larger towns. With the dawning of the year 1899 the relative isolation of even the Guayabal region was broken forever: Manuel Rionda had settled upon his plan to bring North American capital to the southern Camagüey.

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<sup>43</sup> Charles Forbes-Lindsay, *Cuba*, pp. 113-114.

<sup>44</sup> Perpiña y Pebernat, *El Camagüey*, p. 87.

## Population Characteristics

Demographic data for Guayabal and the surrounding area for the period are scarce.<sup>45</sup> According to the 1899 census the region had only two to six persons per square mile and thus tended to be ignored by census takers and record keepers in general.<sup>46</sup> The census does indicate, however, the frontier character of the Guayabal district. For example, the percentage of males in the area is something over 50 percent, whereas females were in the majority in most of Puerto Príncipe.<sup>47</sup> Furthermore, the proportion of married persons to the total population was lower (12-15 percent) than in the rest of the province.<sup>48</sup>

The skewed age pyramid of Cuba after the war is a frequently cited source of evidence documenting the effects of the war upon the

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<sup>45</sup> Data for Puerto Príncipe province are unlikely to have been applicable to the south coast as conditions there were entirely different in most respects. Fortunately, the 1899 census maps do distinguish the coastal area (Municipio of Santa Cruz del Sur) from the interior in most cases. U.S. War Department. Report on the Census of Cuba, 1899. Washington: Government Printing Office, 1900, *passim*.

<sup>46</sup> *Ibid.*, map opposite p.74. The province of Puerto Príncipe averaged only six persons per square mile in rural areas, by far the lowest of all of Cuba's provinces. The next lowest was Santiago de Cuba (Oriente) with 21.7.

<sup>47</sup> A number of other rural areas of Cuba, however, had a male population of over 55 percent, an indication perhaps of the degree to which the civilian population in general suffered during the war, or as the census narrative suggests, this imbalance may reflect the immigration to the cities of women seeking refuge from the horrors of war in the countryside. *Ibid.*, map opposite p. 80, and p.83. It must also be pointed out that from the first European colonization, Cuba has had a preponderance of males in the population. This was due to male immigration, both forced and voluntary. Quoting from the 1907 census, "All the census have revealed a majority of men in the population." Cited in H.G. De Lisser, In Jamaica and Cuba. Kingston: The Gleaner Company Ltd., 1910, p. 49.

<sup>48</sup> U.S. War Department. Census of Cuba, see map opposite p.118.



Cuban population.<sup>49</sup> Yet, of all six of Cuba's provinces, Camagüey suffered the least despite the fact that it was the scene of many campaigns and enjoyed a proud history of rebellion since the Ten Years War, having produced such nationalists as Ignacio Agramonte, Gertrudis Gómez de Avellaneda, and Gaspar Betancourt Cisneros.<sup>50</sup>

As to race and national origin, the south coast of Camagüey had a population in which between 50 and 75 percent of the total were considered "native white," which was the same ratio as that of the remainder of the eastern part of the province, but was below that of the western part where the percentage of native whites was over 75 percent, the highest in all Cuba.<sup>51</sup> Although Camagüey had a very low percentage of foreign born, the coastal district had a relatively high

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<sup>49</sup> see Pérez, Cuba: Between Reform and Revolution, pp.190-91; Hugh Thomas, Cuba: The Pursuit of Freedom, New York: Harper & Row, 1971, pp. 423-24, and Leví Marrero y Artilles, Geografía, p.151.

<sup>50</sup> U.S. War Department. Census of Cuba, p. 91. Outside of the city of Havana, among the provinces, Puerto Príncipe had the lowest percent by which the number of children under five fell below that between five and ten years of age. See also Mary Cruz del Pino, Camagüey (Biografía de una provincia), Academia de la Historia de Cuba. La Habana: Muñiz Hno. y Cía., 1955, p.187. In addition, government reports indicate that of the ten ingenios existing in the Province in 1899, only one was destroyed and six were actually grinding. Military Government of Cuba. Department of Agriculture, Commerce, and Industry. Report of the Work Accomplished by This Department During the Fiscal Year Which Commenced on the 1st of July, 1899, and ended on the 30th of June, 1900. Havana: 1900, p. 291. Yet we cannot ignore the destruction of the economic mainstay of the province, the cattle industry, which the same government report states was completely obliterated (p.14). This destruction is corroborated by Pérez's quote by a journalist traveling in Camagüey at the end of the struggle: "I saw neither a house, nor a cow, calf, sheep or goat, and only two chickens," cited in Cuba: Between Reform and Revolution, p. 189.

The story was quite different during the Ten Years War, however, as Camagüey was much affected by that struggle. In 1899 the province had the smallest ratio of adults 20-35 years old, which the census suggests "may possibly be an echo of a lowered birth rate during the Ten Years War . . . which was confined for the most part to the eastern provinces" (p. 91).

<sup>51</sup> *Ibid.*, p.96

number in the five to ten percent range.<sup>52</sup> The municipio which included Guayabal had a black/mulatto population ("colored") of between 25 and 50 percent, and given the above data on other population characteristics, one may assume that that percentage was toward the lower end of the range, say around one-third, but still significantly higher than the interior of the province where the percentage of blacks and mulattos was under one quarter.<sup>53</sup>

References to the not distant towns of Manzanillo and Santa Cruz del Sur shed some light on the population characteristics. Judicial reports reveal a surprisingly high literacy rate. Out of 91 persons arrested for various crimes in Manzanillo, of which only four are listed as property holders, sixty-five or 71% were listed as literate.<sup>54</sup> This figure is in sharp contrast to the 33 percent literacy rate indicated in the 1899 census for Santiago de Cuba, the 30 percent rate in the town of Santa Cruz del Sur, and even to the 40 to 50 percent literacy rate for the municipio surrounding Guayabal.<sup>55</sup>

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<sup>52</sup> *Ibid*, see map opposite p. 98. For the percentages of Chinese and white foreign born in the various provinces see the charts in the above-cited 1899 census opposite p. 82 and the map opposite p.98. The census also reports selected occupations by place of birth. In Camagüey approximately ten percent of the laborers were of Spanish birth and over a third of the merchants (p.503).

<sup>53</sup> *Ibid*. see map opposite p.100.

<sup>54</sup> Military Governor of Cuba, 1899-1902. (Leonard Wood) Civil Reports. Vol. IV. Report of Major William Crawford Gorgas, Chief Sanitary Officer of the City of Havana. (July 1, 1899-June 30, 1900), p.325. Any figures regarding literacy rates must be questioned, as rural police would often classify as literate all who could sign their names on the charge sheet.

<sup>55</sup> U.S. War Department. Census of Cuba, 1899, p. 111. If we calculate the literacy of the entire voting age population as opposed to Cuban citizens only, the figure rises to around 40 percent.(derived from the table on p. 110). For the literacy rate of the municipio of Santa Cruz del Sur see the map opposite p. 152. The literacy rate of the city of Santa Cruz del Sur was derived from the table on p. 359.

Crime records in Manzanillo, a city of 14,000 persons, for the period January 1902 through April 1902 reveal a fairly low rate of crimes against property, but some other rather unusual misdeeds appear in the record.<sup>56</sup>

Table 1.2. Criminal Charges Brought in Municipal Court, Municipio of Manzanillo, Jan. 1902-April 1902.<sup>a</sup>

| Crime                    | Number of cases |
|--------------------------|-----------------|
| Abduction                | 20              |
| Wounds                   | 5               |
| Robbery                  | 4               |
| Homicide                 | 3               |
| Discharge of Firearms    | 2               |
| Defraudation             | 2               |
| Incendiary Fires         | 2               |
| Falsification            | 2               |
| Theft                    | 2               |
| Criminal Attempts        | 1               |
| Malversion               | 1               |
| Counterfeiting           | 1               |
| Swindling                | 1               |
| Suicide                  | 1               |
| Shipwreck                | 1               |
| Facts Denounced by Press | 1               |

Source: U.S. War Department. *Report on the Census of Cuba, 1899, op. cit.*, p.111.

Crime in Santa Cruz del Sur for the same period was, according to the record, minimal, only nine cases having been recorded: three for public scandal and six more undescribed.<sup>57</sup> Santa Cruz had only about 1,000 residents in the late 1880s and something over 2000 in 1902.<sup>58</sup>

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<sup>56</sup> *Ibid.* It is difficult to know what to make of the most commonly repeated crime, that of abduction. In commenting on the general state of unrest in the province of Santa Clara in September of 1900, the Supervisor of Police of Havana stated that several kidnappings had occurred there "for the purpose of demanding ransom." Pérez, Lords of the Mountain, p. 112.

<sup>57</sup> *Ibid.*

<sup>58</sup> Perpiña y Pebernát, p. 321. The 1899 Census reported 2098. Wood, Civil Report, 3, p. 13.

In Guayabal there was no judiciary and apparently only one case from there was brought before the magistrate in the judicial seat of Puerto Príncipe in 1902. Nevertheless William J. Thompson, an employee of the Francisco Sugar Company, wrote Rionda that he wished to have sent him a revolver as there had been a murder in Guayabal.<sup>59</sup>

### Land Tenure

Land tenure statistics from the 1899 census appear only on a provincial basis which, as stated, is of limited application to the coastal district. Nevertheless, it may be helpful to summarize the salient features of the table pertaining to tenure of farms in order to give an idea of the average size of holdings in the province. Of a total of 2,382 farmers, 1,586 or two-thirds farmed under one quarter *caballería* (about 8.3 acres). Of these 477 owned their land and 791 rented, the remainder having some other arrangement. In addition 457 farmed one-quarter to one-half a *caballería* (about 8.3 to 16.6 acres), owners and renters being more equally divided. Only 187 farmed one-half to three quarters of a *caballería* (16.6 to about 25 acres), 40 three-quarters to one *caballería* (25 to 33.3 acres, 102 one to three *caballerías* (33.3 to 100 acres), eight three to five *caballerías* (100 to 166.5 acres), two five to ten *caballerías* (166.5 to 333.3 acres) and five over ten *caballerías*. In all the higher categories renters remained numerous, generally from one-third to one-half the

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<sup>59</sup> MR to W.J. Thompson, March 3, 1902, BBC, Ser. 2.

number.<sup>60</sup> In Matanzas we would be tempted to translate "renter" as "*colono*," but in Camagüey in 1899 cane was not yet an established crop, ranching predominating, thus renters probably represented various relationships with the owner and would have used the land in different ways.

In the Guayabal district, as in all of Cuba, the land had been divided up into *hatos* and *corrales*, and land boundaries were often ill-defined. In eastern Cuba a form of joint tenancy developed early on called the *hacienda comunera*. Rural folk lived on these common lands for generation after generation, often with no legal proof of ownership but enjoyed a recognition that the lands belonged to them. Another claim to lands in eastern Cuba was based on *pesos de posesión*. According to this system, money was deposited with the authorities in amounts which correlated with the extent of the land. The *peso de posesión* was not, however, a standard measure across the island, and its use led to much confusion over land titles as in the case of Francisco.

The Hato Viejo which comprised about one half of the Cuban-American Sugar and Land Company property which later became the property of the Francisco Sugar Company, was at one time a *hacienda comunera* and also was secured by *pesos de posesión*.<sup>61</sup> In addition to the murky legal status of the property, it is likely that years of absentee ownership had resulted in a number of squatters

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<sup>60</sup> U.S. War Department. Census of Cuba. Table XLV. p.556.

<sup>61</sup> Hato Viejo lands were a part of a Hacienda Comunera at least as far back as 1764. In 1890 a lien existed on the property for 3500 pesos de posesión which supposedly indicted that the property consisted of 1000 caballerías. MR to John Craig, September 5, 1906 and July 15, 1907. BBC, Ser. 10. See also note no. 4, Chapter II.

establishing homesteads for themselves upon this remote tract. This study reveals something of the tension which was manifested between the Francisco management and the residents of Guayabal, thus corroborating Irene Wright's declaration that the Cuban is a "tenant and squatter in his own country."<sup>62</sup>

### Traditional Subsistence Crops and the Cuban Diet

A utilitarian might expect an island's poor to attempt to satisfy their daily dietary requirements as best they could by eating whatever foods they could grow themselves, supplemented by the purchase of those needed foods which they could not grow. This was not entirely the case in Cuba. It is true that, much of what the *guajiro* ate was locally grown, however there were other foods which he could have grown but did not, or which he grew but sold rather than ate--foods which would have given him necessary nutrients not available elsewhere in his diet.

Nelson reported that 31.2% of the diet of rural Cubans was composed of *plátanos*.<sup>63</sup> These included the *plátano verde*, eaten as fried chips, and the *plátano maduro*, sliced longitudinally and deep fried in oil.<sup>64</sup> In addition to the nearly one-third part starchy

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<sup>62</sup> Irene A. Wright, Cuba. New York: The Macmillan Company, 1910, p.165.

<sup>63</sup> In this discussion of Cuban rural conditions much of the statistical material is based on that of the University of Minnesota sociologist Lowry Nelson in his classic study, Rural Cuba, Minneapolis: Colwell Press, 1950, pp. 202-05.

<sup>64</sup> "All classes of Cubans eat quantities of plantain. The vegetable is rarely absent from the table, where it appears in all manner of forms, -- dried and fried, baked and boiled." Forbes-Lindsay, Cuba, p. 223. Forbes-Lindsay also mentions the high consumption of bananas, the "Manzano" being the domestic favorite.

*plátanos*, there must be included other vegetable carbohydrates common to the rural diet such as *boniatos* and *malangas* (sweet potatoes), *yuca*, *ñame* (yams) and *papas* (Irish potatoes).<sup>65</sup> Among grains the rural Cubans also favored the starchy foods, preferring rice to all others, it being more widely consumed than corn and wheat combined.<sup>66</sup> Corn meal, however, was also heavily consumed. Thus the total percentage of starchy foods in the rural Cuban diet must have been well over half and possibly two-thirds of the total food consumption.

Rural Cubans ate a great many beans, even though by mid-century, a good percentage were imported from Mexico, Chile, and the United States. For the rural proletariat working on the great sugar estates, beans imported from the U.S. were an important part of their diet. When Manuel Rionda ordered provisions for the company *tienda*, in response to what he was told sold best he ordered beans, rice, potatoes, onions, coffee, jerked beef, lard and tobacco.<sup>67</sup>

Jerked beef, long the staple of slaves, was still consumed by the workers at Francisco. Imported from the U.S. it may have originated there or in Argentina, Canada or other beef producing nations. Among most Cubans, however, pork was the preferred meat

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<sup>65</sup> Francisco's manager, Francisco Coma, planted a garden at Guayabal in which he grew corn, sweet potatoes, plantains, yuca and other vegetables. MR to Coma, June 8, 1901, BBC, Ser. 2.

<sup>66</sup> Nelson's survey reported a per capita rice consumption of over 200 pounds. Rice was imported from the Orient. Rural Cuba, p. 208.

<sup>67</sup> MR to W.J. Ahern and H. Pollock, August 11, 1900, BBC, Ser. 2.

when they could obtain it. In fact, the annual per capita consumption of pork in rural Cuba by World War II was 86 pounds. A contemporary observer states that “aside from an occasional iguana, or *jutea* [*jutía*], pork is the only meat he [the rural Cuban] eats.” and that pork was a frequent and favorite dish with all classes.<sup>68</sup> Chicken was another great favorite, *arroz con pollo* being “about the most universally favored dish,” but the annual per capita consumption of chicken was only 20 pounds in 1946 and would have likely been far less during the occupation due to the destruction of the flocks following the war.<sup>69</sup> We can say with certainty that the consumption of all meats was severely limited in the first few years of the century, but given the penchant for meats in the rural Cuban diet, as soon as meats became available again at a reasonable cost it is certain, as Forbes-Lindsay verifies, that pork, beef, and chicken were served at least during the more important holidays of church and state.<sup>70</sup>

What the rural Cubans did not eat was green and yellow leafy vegetables. Nelson reported that, “Lettuce and other salad greens, cabbage, carrots, cauliflower, radishes, parsnips, spinach, and the like are almost unknown.”<sup>71</sup> Possibly the lack of these foods was partially compensated for by the abundance and variety of fruits. These

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<sup>68</sup> Forbes-Lindsay, Cuba, pp. 99-100.

<sup>69</sup> Nelson, Rural Cuba, p. 210.

<sup>70</sup> Forbes-Lindsay, Cuba, pp. 99-100. This author also mentions that fish and frogs were often eaten in rural Cuba.

<sup>71</sup> Nelson, Rural Cuba, p. 208.



would have included the *guayabana*, *fruta bomba* (papaya), oranges, lemons, limes, perhaps a few grapefruit, mangoes and pineapple.<sup>72</sup> Many other fruits would doubtless have been common such as guavas, *mamey*, soursop, star apple, avocados, pineapples, and countless others common to the tropics. In some areas, particularly along certain coasts, the coconut would have played a significant role as it does wherever the coconut palm is found in numbers.

Finally we must mention the large consumption of coffee and sugar. Per capita coffee consumption was, by the World War II era, 20 to 41 pounds. Early figures on sugar intake are not available, but there can be no doubt that it was extremely high. Cubans have long used great quantities of raw sugar in their coffee and other drinks and many rural families, it has been reported, eat large quantities of sugar cane during the dead season when they have no money to buy other foods.<sup>73</sup>

### Traditional Cash Crops

Before cane came to monopolize the land and labor of the coastal district of southern Camagüey, those *guajiros* of the region who were not full-time fishermen grew small acreages of various crops which they could market for their limited cash requirements. These likely included sweet potatoes, yams, bananas, cabbage, corn

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<sup>72</sup> The town of Guayabal was named for the groves of Guayabana trees in the surrounding area. Perpiña y Pebernat, El Camagüey, p. 314.

<sup>73</sup> *Ibid.*, p. 209.

and yuca.<sup>74</sup> After the War, the economy in shambles, many rural *Camagüeyenos* turned to market gardening, but a surplus drove the price down so low that "many have to be left in the fields, the price not covering the cost of their transportation to town."<sup>75</sup> If the grower owned his land he might have established perennial crops such as coffee, cacao, coconuts, tropical fruits or citrus, as was common in nearby Oriente, but the mediocre soil drainage in many parts of the Guayabal district would have mitigated against some of these potentially more lucrative crops.<sup>76</sup>

In 1899 there were 163 farms in the municipio of Santa Cruz del Sur cultivating a total of 52.34 *caballerías* (about 1800 acres)<sup>77</sup>. The principal crop grown among these larger farmers was rice, of which there were 2000 hectares in the Santa Cruz del Sur area. Pineapples and plantains were also grown and even managed to hold

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<sup>74</sup> U.S. War Department. Census of Cuba. See the table on p. 548 listing lesser crops and the race and tenure of growers. See also de Lisser, In Jamaica and Cuba, p. 54. Rebecca Scott, who studied the emancipated black population, states that in Camagüey "perhaps 6 percent of the province's colored agriculturalists were renters and owners of land. They grew little sugar, concentrating on bananas, sweet potatoes, and corn . . . [and owned] pigs and chickens [as opposed to cattle]." Rebecca Scott, Slave Emancipation in Cuba: the Transition to Free Labor, 1860-1899, Princeton: Princeton University Press, 1985, p. 260. Since the coastal district had the highest percent of black persons, perhaps Professor Scott's interpolation of the 1899 census is more applicable to the Guayabal area than other parts of Camagüey.

<sup>75</sup> Military Government of Cuba. Department of Agriculture, Commerce, and Industry. Report, p. 14.

<sup>76</sup> Rebecca Scott discusses the small-holders of Oriente, their access to the land and the resulting diminution of the plantation labor force in eastern Cuba. Scott, Slave Emancipation in Cuba, pp. 256-259.

<sup>77</sup> U.S. War Department. Census of Cuba. Table XLIV., p. 554. These farms also encompassed 4101.23 *caballerías* of timber of which two-thirds was classified as "large timber."

out against cane, remaining important regional crops.<sup>78</sup> Cotton may also have been grown on a small scale.<sup>79</sup>

### Housing

Housing standards in rural Cuba reflected the polarized class structure so prevalent in the *campo*. The dwellings of the underclasses were primitive by North American standards, and those of the elite, while not perhaps having all the latest in plumbing and gas fixtures, were nevertheless solidly constructed, often elegant, and commodious. As there were as yet no elite residents in Guayabal, we will focus on the home of the *guajiro*, the small thatched house known as the *bohío*.

The *bohío* was constructed almost entirely of materials taken from Cuba's most representative tree, the Royal Palm (*Roystonea regia*). Famous for its beauty and utility; the Royal Palm is endemic throughout Cuba.<sup>80</sup> From its trunk are cut slabs used for siding (*tabla de palma*), or the leaf sheaths (*yagua*) used for the same purpose. The roof was thatched either with the fronds of the Royal or preferably with those of the Cana Palm (*Sabal florida*).<sup>81</sup> The latter

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<sup>78</sup> Leví Marrero, *Cuba: Economía y Sociedad, II-XII*. p. 575. The *piña morada* was sold for export, but the sweeter and more flavorful *piña blanca* was grown for local consumption. Forbes-Lindsay, *Cuba*, pp. 224-25.

<sup>79</sup> *Ibid.* (Forbes-Lindsay), p. 223.

<sup>80</sup> Nelson, *Rural Cuba*, pp. 202-03. The botanical information is taken from León, *Flora de Cuba*, pp. 236-69.

<sup>81</sup> The Royal Palm is an pinnate leaf palm and is not as suitable for roofing as the palmate leafed palms. Nelson spells this palm "*caña*" as in cane, but León refers to *cana* (p. 248). León is correct.

may not extend as far east as Guayabal, but other palmate species in southern Camagüey could easily have substituted including *Copernicia* and *Coccothrinax*. This thatching material was known as *guano* and may have been yet another palm material used as siding.<sup>82</sup> Where *tabla de palmas* was not used, other native woods provided lumber for siding. By 1946 the use of *yaguas* ranked third, but it was likely predominant in the early years of the century.

The floor of the *bohío* was usually the ground itself.<sup>83</sup> The framework was of poles fastened together by strips of palm fiber. Not always, but frequently, there were interior partitions, usually at least one. The kitchen was a small room separated from the house by a few feet and connected by a thatch-covered walkway. There were windows cut out of the siding and wooden shutters served to keep out the driving rain and perhaps the swarms of mosquitoes that abounded at night or on any cloudy day during the rainy season.<sup>84</sup>

In Nelson's survey, his team judged houses as good, medium and bad. The town of Florida is the closest of the eleven survey sites to Guayabal, it being a sugar town in Camagüey dominated by a large U.S. sugar company. In Florida, 28.6% of the houses were judged

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<sup>82</sup> "I saw a burro hauling *guano* (palm fronds) used for building the sides of native's houses." Wallace Risley to Maud Braga, BBC, uncat. MS. Manuel Rionda instructed his estate manager, Francisco Coma, to build a house in the *tronchos* ". . . not expensive, but made out of *guano*, where we could stay, for you might make a log cabin. . . "MR to Coma, May 24, 1900, BBC, Ser. 2. This *guano* was, at least at one time, splashed with mud for additional protection, though it must have dissolved rather quickly in the rainy season: ". . . cuyas reducidas casas son de embarrado y guano." Perpiña y Pebernat, *El Camagüey*, p. 78.

<sup>83</sup> Nelson reports that in near-by Bayamo as late as 1946 65% of all houses surveyed had dirt floors. *Rural Cuba*, p. 203.

<sup>84</sup> Wallace Risley to Maud Braga, BBC, uncat. MS.

“good,” 23.8% as “medium,” and 47.6% as “bad.”<sup>85</sup> Interestingly, he also reported that in general, people declared themselves content with their housing. The outstanding exception was in Alto Songo, a Black town in Oriente where conditions were worse than in any other town surveyed. There, the people were almost unanimous in their dissatisfaction. In contrast, in the near-by town of Bayamo only three of 31 persons expressed discontent at the condition of their homes.

### Health and Sanitation

Health care and sanitation in Cuba in general at the conclusion of the war was, to say the least, deplorable. Disease was rampant throughout the island. P.M. Beal writing to Edwin Atkins about conditions in Cienfuegos in July of 1896 states that

No sanitary measures have been adopted. Smallpox extends to all parts of the city where there are tenements. The rags used for the sick are thrown into the streets where they are carried up and down by the wind and by curs who delight in playing with such trash. Smallpox and pernicious fevers are very fatal, particularly to children. I am informed that a large trench has been dug in the cemetery where the dead are thrown in during the night. . . Yellow fever is very epidemic and of an alarming type . . .<sup>86</sup>

In January, 1899 the situation had shown little improvement. In the interior town of Ojo de Agua the *alcalde* was begging for provisions from the government to help the poor and sick.<sup>87</sup>

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<sup>85</sup> Nelson, Rural Cuba, p. 205.

<sup>86</sup> Edwin F. Atkins, Sixty Years in Cuba. Cambridge, Massachusetts: Riverside Press, 1926, p. 242.

<sup>87</sup> *Ibid.*, p. 296. For a discussion of disease and mortality rates in Cuba after the War see Pérez, Cuba: Between Reform and Revolution, pp. 190-91.

Disease was of two main classes: first, the virulent epidemics such as yellow fever, smallpox, and other tropical fevers, and second, sickness caused by unsanitary conditions or unhealthful conditions in general as, for example, the result of inadequate shelter. In the latter category one could mention dysentery, fatal dehydration in association with diarrhea, typhoid fever, pneumonia, and tuberculosis.

Unhealthful conditions were often more severe in the cities where contagion and exposure to bad water and filth was more prevalent, but in the rural areas where the poor lived in dirt floor huts through the long rainy season, "consumption" remained prevalent at least as late as 1910.<sup>88</sup>

Rural sanitation was perhaps best where it was non-existent, which was the case in about half the dwellings in Cuba. "It is said that in rural Spain the inhabitants commonly have no closets or outhouses, but resort to the fields, and the same is apparently true of Cuba," states the 1899 census.<sup>89</sup> Where facilities did exist, they consisted of a *pozo* or in rare cases an *inodoro*.<sup>90</sup>

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<sup>88</sup> de Lisser, In Jamaica and Cuba, p. 55.

<sup>89</sup> U.S. War Department. Census of Cuba, p. 177.

<sup>90</sup> The census takers were at a loss as to how to translate these terms. They provide the following note: "The *inodoro*" includes every receptacle for excreta in which an effort is made to destroy or decrease the foul odors arising therefrom, usually by the addition of such substances as lime, dry clay, or ashes. The *pozo* includes all other forms of closet." The note goes on to explain that the flush toilet is "very unusual in Havana and unknown elsewhere in Cuba." *Ibid.*, pp. 177-178. It is interesting to note that Nelson, a half century later, found that in the town of Florida, Camagüey, of 64 households, two had indoor toilets, four had sanitary latrines (*inodoros?*), 30 had unsanitary latrines (*pozos?*), and 27 had no toilet facilities whatsoever. Rural Cuba, p. 207.

Improved health care was one of the chief contributions of the U.S. occupation forces. Much of this work was concentrated in Havana, but the provinces were not entirely neglected. In 1900 Manzanillo had a hospital with eleven employees and 40 patients.<sup>91</sup>

Virtually from the beginning of Manuel Rionda's association with the south coast of Camagüey, there were reports of fevers. Menocal, the estate manager, was sick from week to week and the bookkeeper, Aquino, immediately became feverish upon his arrival at Guayabal.<sup>92</sup> Francisco Coma, the estate manager in 1900, suffered from a low-grade fever, and his children suffered rather severely also.<sup>93</sup> The following year sickness at Guayabal had grown to epidemic proportions. John Craig reported that during his visit during the rainy season of 1901 dozens of North Americans were sick and "hundreds of natives. . ."<sup>94</sup> Rionda had greatly feared an outbreak of infectious disease on the estate and repeated reports of illness and fevers persuaded him to finally call in a doctor from Havana to stay at Francisco for a six month period (July-December) when the incidence of disease was greatest. "Heavy rains around Guayabal have caused a good deal of sickness." Rionda wrote McCahan, which,

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<sup>91</sup> Cuba. Military Governor, 1899-1902. (Leonard Wood). Civil Report. Vol. IV. Informe del Major E. St. J. Greble. Superintendente del Departamento de Beneficencia. Departamento de Cuba, p. 196 (foldout).

<sup>92</sup> MR to J.F. Craig, January 19, 1900, BBC, Ser. 2.

<sup>93</sup> MR to Coma, March 28, 1900, BBC, Ser. 2.

<sup>94</sup> John Craig to MR, October 4, 1900, BBC, Ser. 10.

he fretted, could cause the labor to leave. "It is a very important matter that the workers are well cared for."<sup>95</sup>

### The Life of the *Guajiro*

In Cuba the term *guajiro* was that country's form of the more generic *campesino*.<sup>96</sup> The term has often been translated as "peasant," but because the *guajiro* often owned no land or other property and was frequently transient, it would be best to avoid the term "peasant" with its weight of controversial academic baggage.<sup>97</sup> In fact, the *guajiro* was increasingly a member of a rural proletariat, particularly after the War and the resulting domination of the island by North American capital, one example of which this study explicates.

The contemporary literature is rife with descriptions of the *guajiro* and his way of life. In general these accounts range from the patronizing to the insulting, but two observers of the day stand out

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<sup>95</sup> MR to Coma, July 30, 1900, BBC, Ser. 2. Rionda's nephew, Higinio Fanjul, became feverish while working at Francisco. MR to McCahan, July 30, 1900, BBC, Ser. 2.

<sup>96</sup> This section is offered as a short sketch and nothing more. A book would be required to do justice to the subject.

<sup>97</sup> Authors who have dealt specifically with the question of the peasantry in the Caribbean include Sidney W. Mintz, "Reflections on Caribbean Peasantries," Nieuwe West-Indisch Gids/New West Indian Guide, no.57 (1983): pp.1-17 (for a short exposition on Cuban rural labor see his forward to Fernando Ortiz's classic work, Cuban Counterpoint: Tobacco and Sugar. New York: Alfred A. Knopf, 1947, pp. xxxiv - xxxviii); Franklin W. Knight, The Caribbean: The Genesis of a Fragmented Nationalism. New York: Oxford University Press, 1978; Alan H. Adamson, Sugar Without Slaves: The Political Economy of British Guiana, 1838-1904. New Haven: Yale University Press, 1972, and Brian H. Pollitt, "Agrarian Reform and the 'Agricultural Proletariat' in Cuba, 1958-1966: Some Notes," University of Glasgow, Institute of Latin American Studies, Occasional Paper no. 27, 1979.



for the relative objectivity of their writings about the Cuban rural proletariat. Irene Wright and Charles Forbes-Lindsay offer cogent and ultimately sympathetic descriptions of the *guajiros*

Of the *guajiros* Wright says they live

. . . in *bohíos* of the poorer type where the rain drives in and makes mud upon the floor in which dogs and chickens wallow unregarded, along, sometimes, with the pig. There is no sewing machine here, and when the head of this household travels, he jogs along on a mud-stained mare with burrs in her unbraided tail. He wears . . . a plain colored shirt, undisguised, unornamented, and unwashed. His wife walks abroad in two garments only, a waist and a skirt, and her feet are bare inside frayed carpet slippers.

. . . he may burn charcoal, or cut tobacco poles, or do, as far as I can make out, nothing at all. If he has a plantain tree and a patch of *malanga* or *yuca* in his neighborhood, he passes for thrifty. No matter what his circumstances, however, he and his wife welcome a visitor into the house, and to the only chairs or boxes it contains. He calls for coffee, and she serves it; if they fail to offer it, the caller may rest assured there is absolutely nothing whatsoever to eat beneath that roof."<sup>98</sup>

Forbes-Lindsay's description substantially agrees with the picture painted by Wright.

. . . he is more often than not a squatter in a little corner of that no-man's-land which seems to be so extensive in the central and eastern portions of the island. In comparatively few instances he has title to a few acres, lives in a passably comfortable *cabana*, possesses a yoke of oxen, a good horse, half a dozen pigs, and plenty of poultry. Much more often he lives in a ramshackle *bohío*, the one apartment of which affords indifferent shelter to a large family and is fairly shared by a lean hog and a few scrawny chickens. There is nothing deserving the name of furniture in the house, and the the clothing of the family is of the scantiest."<sup>99</sup>

Forbes-Lindsay adds that the *guajiro* owns a nag and loves to ride.

In apparent contrast (through North American eyes) to the downtrodden character of the *guajiro*, is another characteristic of this

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<sup>98</sup> Irene Wright, p. 127.

<sup>99</sup> Forbes-Lindsay, p. 98.

class of Cuban which is mentioned by a number of observers. This is his pride, dignity, and refusal to be subservient to his 'betters.'

The Cubans are the most democratic of people. The ragged peasant maintains a dignified attitude toward all men, which conveys the impression of a nicely balanced respect for himself and for his fellow. His landlord, or his employer, meets him upon his own ground and the relations between them are frequently characterized by friendly familiarity. The revolutionary period, with its levelling processes and its common interests, tended to make this condition more pronounced.<sup>100</sup>

At times the *guajiro's* self-esteem inflated to an exaggerated pride. Nan Risley comments that

The Native Cuban, as I have seen him, is a mild looking person, who reminds me of Bret Harte's famous Chinee, whose smile was "child like and bland". The Cuban also has "ways that are dark and tricks that are vain". He too has the "Spanish quickness in quarrel when his "honor" is touched. His weapons are the Machete and cane knife, both sharpened to a razor edge, and he uses either with most remarkable skill, frequently doing bloody execution, for their duels are not for empty show, though they will fight at the slightest provocation.<sup>101</sup>

The language spoken by the *guajiros* was described by Forbes-Lindsay as a *patois* "which is a mixture of Spanish and negro dialect, picked up from the blacks, with whom their intercourse has always

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<sup>100</sup> *Ibid.*, p. 96-97. Forbes-Lindsay later adds, "Cuba is one of the most democratic countries in the world. Nowhere else does the least considered member of a community aspire to social equality with its most exalted personage. The language, with its conventional phrases of courtesy shared by all classes, the familiar family life of proprietor and servant, master and apprentice, a certain simplicity and universality of manners inherited from pioneer days, and a gentleness of temperament that may be both racial and climatic, which shrinks from giving offence by assuming superiority of rank with others, have all contributed to render class assumptions externally less obvious in Cuba than in other countries where equal differences of race, culture, and fortune exist."(pp. 132-33)

<sup>101</sup> Nan Risley Journal, BBC, uncat. MS. This characteristic as also mentioned by de Lisser: "As for the Cuban labourer, although admitted to be good-humoured and imitative and willing, he is very apt to take offence, and very quick to resent a real or imagined insult. Speak harshly to him, and you may find yourself suddenly attacked; and when he is armed with his machete he is no mean antagonist. He may even do worse. He may set your cane-fields on fire. The knowledge that this is possible keeps many a "boss" to a perfect courtesy; nor does the latter resent being called by his Christian or his surname by labourers. For they do not mean to be discourteous. They merely feel that they are quite the equal of the man who is placed in charge of them." In Jamaica and Cuba, p. 48.

been more or less close, and with whom they live on the best of terms.”<sup>102</sup>

The women, according to the same author, did all the work except look after the cattle. They did, he says, get frequent holidays as the husband takes the whole family to religious festivals and other fiestas. Women were not allowed to attend cock fights, however, but gathered instead at the local *fonda* to gossip over a glass of tamarind water.<sup>103</sup>

Though likely given to exaggeration, North American and European observers rarely failed to comment on the prevalence of gambling among all classes of Cubans, but among the poorer classes most particularly. Infinite are the betting arenas of men, but in Cuba it was the cock fight which clearly predominated as a cultural artifact. Atkins even claims, albeit probably with that flippancy that the privileged classes reserve for the affairs of the common people, that the rebellion of 1906 was largely spurred on by the unpopular prohibition against the lottery and cock fighting.<sup>104</sup>

Nan Risley too describes the gambling activities which took place among the plantation laborers at Guayabal during her residence there between 1903 and 1905:

Their gambling is about the only excitement left them since the war is over and they often keep it up all through a night losing all their possessions, horses, machetes, cane knives, everything but the rags on their backs, so

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<sup>102</sup> Forbes-Lindsay, Cuba, p. 99.

<sup>103</sup> *Ibid.*, pp. 100-01.

<sup>104</sup> Atkins, Sixty Years in Cuba, p. 338. “. . . and many of the insurgents near Havana carried fighting cocks in their saddles.” This supposed facet of the insurrection is not mentioned by any other authors with whose works we are familiar.

that next morning they must come borrow a knife to go to work again. The explanations of how the other was lost being very amusing, sometimes, and of course not too curiously inquired into by the planter. This instinct for gambling is, of course, a heritage of the Latin races, and except for making them tired the next day, seems a harmless diversion.

Forbes-Lindsay concludes his remarks on the *guajiro* with a somewhat impassioned speech which is distinctively insightful into the condition of the rural Cuban in the years following the War. In speaking of taxes and high consumer prices as a result of high duties he says,

Is it any wonder that the peasant groans under the load? It is true that he works intermittently and loafs unnecessarily, but that is no good reason why his last dollar should be squeezed out of him, and, if he earned more, he would probably invite heavier taxation. He has no encouragement to exert himself beyond the needs of the present hour. He is probably occupying land that he may be required to vacate tomorrow. He can find no better market for his produce than the precarious one of the adjacent village. Enterprise is an invitation to the spoilers of capital and the petty officials of his locality. If you would ask his candid opinion, it would be that conditions are no better than they were under Spain, and perhaps not quite as good. You may attempt to relieve his depression by a reminder of his splendid independence. He will not understand what you are talking about, although he is far from being a dullard. He fought in the wars of independence because he was assured that success would mean a full stomach and perchance the ownership of a scrap of land. It resulted in neither and, unless restrained by skepticism, he would fight again, under any banner, for the same promise. Independence per se is of no more value to him than a coconut husk. He can not eat it and it will not buy calico for his woman.<sup>105</sup>

### Southern Camagüey in 1900

The province of Camagüey had a proud, staid, and white elitist reputation. It was a land of cattle barons and *vaqueros*, highly traditional, and conservative. The city of Camagüey was described as a colonial ruin in which at times an almost ghostly silence reigned.<sup>106</sup>

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<sup>105</sup> Forbes-Lindsay, Cuba, p. 151.

<sup>106</sup> de Lisser, In Jamaica and Cuba, p. 50-53.

But the coastal districts of Santa Cruz del Sur and Guayabal were different. These areas had a frontier quality; the forest was still standing; there appeared to be opportunities in the making for those with a little capital, and perhaps work for those without. The people were not so white nor so native. Like many coastal zones, this land had more in common with neighboring coastal areas such as Manzanillo than with the governing interior. When Perpiña visited Guayabal in the late 1880s he described it as

a quiet and pleasant village [pueblo] inhabited by traders of few pretensions and humble fisherfolk [*humildes pescadores*]. The houses are all of guano, which view a lovely, sandy beach that lies to the north of the wharf. The harbor is of a good depth, large, calm and frequented by coasting vessels which confirm its notable exports.<sup>107</sup>

“I was told,” he says, “that Guayabal at the time of our visit, had some 150 inhabitants, two general stores and a hostelry for twenty men [*hombres*].”<sup>108</sup> Twenty years later it was described as “containing about sixty common Cuban country houses and four hundred inhabitants. . . .”<sup>109</sup>

As to the neighboring coastal area to the west he stated that “A great part of these lands were covered by forests abundant in commercial timber; however they suffered the great harvests of various periods and were used for military construction in Havana and elsewhere.” According to Perpiña, two hundred *haciendas de crianza* and as well as *ingenios* and *fincas de labor* were to be found

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<sup>107</sup> Perpiña y Pebernat, El Camagüey, p. 314.

<sup>108</sup> *Ibid.*

<sup>109</sup> Taken from the Resolution and Preamble of the incorporation papers of the Francisco Sugar Company, Board of Directors Meeting, February 14, 1900, BBC, Ser. 90, Minute Book 1.

in the Santa Cruz area; wax and honey were collected, and farmers produced cotton, coffee and cacao, but all these industries were described as in decline. The fishing industry alone was prospering from rich fishing grounds in the *cayos*<sup>110</sup>

Perpiña's account would seem to indicate that the small scale and diminishing local economy of the Santa Cruz area to the west, was in a state of transition between the era of small farms and sugar mills, which were failing in the crisis-ridden national economy, and the era of foreign capital and great sugar *centrales*. But no real industry of any sort had as yet come to Guayabal.

The area was little different in 1899, a decade later when Alfred Pesant, a sugar machinery executive, visited Guayabal and stayed in the Carmita, possibly the hostelry described by Perpiña, where Pesant spent several very uncomfortable nights at great expense.<sup>111</sup>

But then, only one year later the picture was changing. The dawn of the new century ushered in a new era for all Cuba and radical changes in the economy of the southern coast of Camagüey, particularly Guayabal. Van Horne's railway had reached the

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<sup>110</sup> *Ibid.* p. 321. The government report of 1900 indicates that there were 160 *haciendas y potreros de crianza* and that incredibly, every one was listed as having been destroyed. Of these, 52 had been reconstructed by 1899. The same report lists only nine-tenths of one percent, or 8.5 caballerías of the land as being under cultivation with 16 percent in pasture and 83 percent in forests which latter occupied a total of 7,297 caballerías. Military Government of Cuba. Department of Agriculture, Commerce, and Industry. Report, p. 19. There were no sugar exports from Santa Cruz del Sur in the year 1899. Wood, Civil Report Report for 1900, (Vol. 5), Report of Major E.F. Ladd, Treasurer of the Island of Cuba, foldout table no. 24.

<sup>111</sup> Salvador Fluriach to MR, March 15, 1899, BBC, Ser 1. Rionda was outraged that they had had to put up with poor accommodations, saying they should have stayed aboard one of the two fishing schooners in the harbor.

somnambulant city of Camagüey, resulting in a rush for land along the right of way. New mills were planned upon the broad potreros, and where the soil was suitable, plows broke up the pastures for the great *cañaverales*.<sup>112</sup> “Everything is on the boom in this part of Cuba, roads are being improved and engineers are going to start work soon on a road from Puerto Príncipe [Camagüey] to this coast.” reported Rionda’s protégé, Will Ahern.<sup>113</sup>

Judicial records of that year are indicative of the shifts in the economies and populations of the region. For example, the Judge of the Court of First Instance of Puerto Príncipe, Manuel Miyares, recommended in his annual report that a new division of territory of Municipal Courts be made, one for the North American citrus growing colony of Colonia Gloria and the other for Guayabal. He speaks of “the lack of means of communication in this province. . . ,” and “The numerous population of both places and the large area of the districts of Minas and Santa Cruz del Sur, to which these wards respectively belong, making the creation of the Municipal Courts of Gloria and Guayabal almost indispensable.”<sup>114</sup>

The judge complained of other difficulties which speak to the general air of transition and expansion. Though they were supposed to be paid, the judges were not receiving anything for their services,

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<sup>112</sup> Salvador Fluriach to MR, April, 17, 1899, BBC, Ser. 1

<sup>113</sup> W.J. Ahern to MR, September 29, 1899, BBC, Ser. 2.

<sup>114</sup> Military Governor of Cuba, 1899-1902. (Leonard Wood). Civil Reports. (Vol. IV.) Informe del Major E. St. J. Greble. Superintendente del Departamento de Beneficencia. Departamento de Cuba, p. 244.

and thus the benches were being manned by volunteers.<sup>115</sup> Court-ordered autopsies were being conducted in the open air “before the public” and without proper instruments.<sup>116</sup> Court interpreters could not be obtained because of “abominable means of land communication and inadequate water communication,” thus the judge recommended that the railroad, which owned the telegraph lines, string a line to a point convenient for the use of the legal authorities.<sup>117</sup>

Despite the influx of capital and growth in the local economy, little, after all, was done to improve the transportation in the region, and other aspects of local society seem to stagnate also. Nan Risley, writing in 1903 states that

There are no roads worthy the name, no english [sic.] speaking neighbors, no society. Life is, in fact, a duplicate of that on a large ranch on our western prairies, where, as far as the sight can reach, one sees only fields of wheat or corn. In Cuba the cane fills in the picture . . .<sup>118</sup>

As late as the 1920s the historian Charles E. Chapman, dismissively described the Cuban countryside which he casually observed on his rail journey through the provinces of Camagüey and Oriente: “From Camagüey to Santiago there is nothing deserving the name of city. Most places are sad, neglected villages, reeking with

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<sup>115</sup> *Ibid.* pp. 263-64.

<sup>116</sup> *Ibid.* p. 290.

<sup>117</sup> *Ibid.* pp. 291-93. Court records indicate that a fair percentage of those accused of petty crimes were foreigners, particularly North Americans, thus the need for interpreters.

<sup>118</sup> Risley Journal, BBC, uncat. MS.



mud or dust, inhabited mainly by negroes, whose homes are 'shacks,' thatch-roofed or covered with corrugated iron."<sup>119</sup>

The process is a familiar one to students of the expansion of capital into those areas of the earth previously remote from its influence. Railroads are built, roads are improved, and the lives of the people are irrevocably altered, but every mile of rail and road, every penny spent on wages or capital improvements, is solely for the benefit of foreign or metropolitan capital. If transportation is improved, it is for the purpose of moving product to market. If the lines are run in such a way as to also provide local transportation, so much the better, but it is so purely by happenstance. If the local standard of living is raised (by eurocentric standards) well and good, but the price is often high, both in terms of destruction of indigenous culture and of the natural world. Such was the case in Guayabal, for the place described by Antonio Perpiña and ten years later by Rionda and the first outside visitors to that coast, was to remain but a few years more. Perpiña describes Francisco's Río Sevilla:

Unas veces se nos ofrecían amenas praderas, en cuyo fondo se destacaban altivos palmares; otras, veíamos extraños y gigantescos árboles cubiertos de bejucos, de cuyos colgantes junquillos destacábanse las flores de color cambiante. Aquí encontramos un grandioso bosque de árboles arrogantes, cuyos troncos erguidos y corpulentos eran otras tantas columnas que formaban el sostén de una inmensa bóveda de verdor y de follaje; mas allá extensas sabanas, en cuyo fondo brillaban las tranquilas aguas de un lago rodeado de pintados toros y briosos caballos.<sup>120</sup>

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<sup>119</sup> Charles Edward Chapman, A History of the Cuban Republic: a Study in Hispanic American Politics. New York: Octagon Books, 1969, p. 18.

<sup>120</sup> Perpiña y Pebernát, El Camagüey, pp. 307-08. Translation: Sometimes we were offered pleasant meadows, in which tall palms accented the background; other times our view was of gigantic, exotic trees covered with vines, from which were hanging jonquill-like flowers of changing colors. Here we encountered a great forest of arrogant trees, their trunks swollen and corpulent, there other columns forming the support for an immense canopy of verdure and foliage; and beyond more open savannas which sparkled with the tranquil waters of a surrounding lake accented by bulls and spirited horses.

## CHAPTER II CUBA TRANSFORMED: 1868-1898

### The Eastern Economy Before Big Sugar

Camagüey, says Moreno Fragnals, "is one of Cuban history's unknown quantities."<sup>1</sup> On the basis of literary evidence from the early seventeenth century as well as large, elaborate church structures constructed during the eighteenth century, Moreno claims that the savannas of Camagüey produced an affluent society unrecognized and unappreciated by modern historians. This economy was founded primarily on the illegal export of oxen and jerked beef to the sugar islands of the Antilles. Some cane was grown locally, also. The province was unique in Cuba, he asserts, in that Puerto Príncipe was the only "important area totally dominated by Creole capital, without the smallest intrusion by Spanish merchants."<sup>2</sup> Moreno's point is that of all parts of Cuba, Camagüey was the one most likely to produce a genuine national bourgeoisie. As a cattle-raising society it was less dependent on slavery than the dense cane-growing regions dominated by creole *hacendados*, who were in turn dependent upon the capital of Spanish-owned commission houses. Moreno finds in the Principeño Ignacio Zarragoitia y Jáuregui's report

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<sup>1</sup> The Sugar Mill: The Socioeconomic Complex of Sugar in Cuba 1760-1860. Translated by Cedric Belfrage. New York: Monthly Review Press, 1976, pp. 68-69.

<sup>2</sup> *Ibid.*, p. 69.

to the Real Consulado of 1805 the "first full-throated cry of nationalism" in which Zarragoitía calls on Cubans to form one family in which "the assets and liabilities should be distributed, without distinction or privilege."<sup>3</sup> Thus we can trace a distinctly Camagüeyeno spirit of rebellion from Zarragoitía through Gaspar Betancourt Cisneros to Salvador Betancourt Cisneros to Ignacio Agramonte, all, according to Moreno, on account of the "non-sugar mentality" of the province."<sup>4</sup>

Though the "sugar mentality" failed to dominate in mid nineteenth-century Camagüey, or anywhere east of Sagua la Grande for that matter, there were, nevertheless, sugar mills in Camagüey and Oriente, particularly in the latter. In 1860 the Betancourt family owned nine mills in Oriente and Camagüey <sup>5</sup> Six of these mills were still powered by oxen. Far from Havana, without good roads or railways to connect these mills to the few developed harbors, there were only small advances to be had from the commission merchants of Havana or Matanzas, and these at extremely high rates of

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<sup>3</sup> *Ibid.*, pp. 69-70.

<sup>4</sup> Gaspar Betancourt Cisneros (1803-1866) known by his pen name, El Lugareño, as a Betancourt was a prominent member of Principeño society and a leading annexationist; Salvador Betancourt Cisneros, Marqués de Santa Lucía (1828-1914) of the same family, relinquished his title during the Ten Years War and nominally succeeded José Martí after the latter's death as leader of the rebel republic; in later years he continued to serve the Republican government. He owned, until 1860, the Hato Viejo and all the land upon which the Francisco Sugar Company was established. "Su nombre siempre será pronunciado con dulce y profunda emoción por las generaciones cubanas que busquen en el pasado ejemplo y estimado." Cuba en la Mano: Enciclopedia Popular Ilustrada. La Habana: Ucar, García y Cía., 1940; Ignacio Agramonte (1820-1873) was a cattle rancher who became the province's outstanding hero and martyr of the Ten Years War.

<sup>5</sup> Thomas, Cuba: The Pursuit of Freedom, p. 241.

interest.<sup>6</sup> There was no capital for high-priced slaves nor for expensive, mechanical improvements that could make these mills competitive with those of the western provinces. In fact, in 1860, the 284 *ingenios* of Oriente (which at that time included Camagüey) produced a mere nine percent of the Island's sugar. About two-thirds of these mills were still powered by oxen as compared to one-fifth in the western provinces, and of the total of 942 steam-powered mills in Cuba, only 118 were in the east. In addition, average yields of the eastern mills were far below that of the west: 164 tons in the east compared to 438 tons in the west.<sup>7</sup>

Not only were the eastern mills technologically inferior to those in the west, they also averaged far fewer slaves. Pinar del Río averaged 174 slaves per *ingenio*; Havana: 149, and Matanzas 159, whereas Santiago de Cuba averaged 59 and Puerto Príncipe only 47.<sup>8</sup>

Underlying these vivid contrasts between the eastern and western mills was simply the disparity in size between the *ingenios* of the West and those of the East, both in terms of land under cultivation and capitalization. The average number of *caballerías* under cultivation per *ingenio* in the province of Santiago de Cuba in

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<sup>6</sup> In 1863 over 95 percent of all Cuban sugar properties were mortgaged for a total debt equaling about two-thirds of the total investment in the sugar industry. Manuel Moreno Fraginals. "Plantations in the Caribbean: Cuba, Puerto Rico, and the Dominican Republic in the Late Nineteenth Century" in Manuel Moreno Fraginals, Frank Moya Pons, and Stanley Engerman, (eds.) Between Slavery and Free Labor: The Spanish-Speaking Caribbean in the Nineteenth Century. Baltimore: Johns Hopkins University Press, 1985, pp.15-16.

<sup>7</sup> *Ibid.* ("Plantations in the Caribbean").

<sup>8</sup> Cuba, Centro de Estadística, Noticias estadísticas, "Registro general de fincas rústicas," and "Distribución." cited in Scott, Slave Emancipation in Cuba, Tables 4 and 5, p. 22.

1860 was 5.5 and in Puerto Príncipe only 4.1.<sup>9</sup> In fact, in the same year, in all of Camagüey there were only 414 *caballerías* under cane producing 15,434 metric tons of sugar, or less than six percent of the production of the leading cane producing province of Matanzas.<sup>10</sup> Only in terms of production per unit area did Camagüey excel, producing 37.3 metric tons per *caballería* as opposed to 27.5 in Matanzas and 15.4 in the *tierras se cansadas* of Havana province.<sup>11</sup>

As a direct result of the relative insignificance of the sugar economy in the east, it was the creole *hacendado* class of not only sugar but also coffee and cattle that first incited rebellion against Spain in Cuba, after the reform movements of the 1840s and 1850s failed to create a viable economic environment for their struggling *cafetales*, *potreros* and *ingenios*.<sup>12</sup>

#### Sugar and the Ten Years War: 1868-1878

The historical forces behind *El Grito de Yara*, Cuba's first, celebrated cry of independence which launched the Ten Years War on October 10, 1868, have been much researched and well expounded.<sup>13</sup> At the most general level of analysis, Spain, laboring

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<sup>9</sup> *Ibid.* This figure is against 15.2 as an average for Cuba as a whole with Matanzas at 21.9.

<sup>10</sup> Calculated from Scott, Slave Emancipation in Cuba, Tables 4 and 5, p. 22.

<sup>11</sup> *Ibid.* "Tierras se cansadas" is "tired land." This high production per *caballería* indicates that most of the sugar grown in Camagüey in 1860 was grown on newly-cleared forest lands or on new savanna soils.

<sup>12</sup> Coffee farms, small ranches, and sugar mills.

<sup>13</sup> In addition to the better general histories cited elsewhere in this study, Julio LeRiverend provides an excellent chapter on the Ten Years War in his Historia Económica de Cuba. La Habana: Editorial Pueblo y Educación, 1974.

under her own severe economic and political difficulties, was unwilling and perhaps unable to provide her remaining colonies with the marketing and credit structures necessary for their prosperity, nor would she allow them the degree of economic self-determination required to create truly viable economies of their own. The effects of inequitable and capricious taxation on both the internal wealth of the island and on Cuba's international trade fell heavily on the creole land owners, and many of those least able to withstand the obstructions of colonial policy were concentrated in the east.

In addition to purely colonial considerations, the sugar economy of the Island was approaching a series of severe crises symptomatic of the inherent contradictions of slavery in an industry dependent on metropolitan world markets. The industry was rapidly bifurcating to create a relatively stagnant agricultural sector and a technologically advancing manufacturing sector, thus compounding its own internal contradictions.<sup>14</sup> Slavery, whether due to a zeitgeist resulting from abolition in the British West Indies and then the United States, or to other causes, was becoming less and less viable. Julio Le Riverend, in describing the period 1840 to 1868, states that it was characterized by “. . . the progressive inefficiency of the slaves

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<sup>14</sup> We disagree here with Rebecca Scott's counterarguments to the thesis of Moreno Fraginals, Franklin Knight and others in which she rejects the idea that internal contradictions within the industry based on the incompatibility between slavery and technology were the basis for abolition. See Slave Emancipation in Cuba, p. 5, n.4 and p. 26. A full analysis of this argument is not possible here. We can say, however, that both for reasons of maximum fixed capital investment and for reasons having to do with modern bourgeoisie mentalité slavery was incompatible with the capitalist mode of production in its emerging twentieth-century form.

and the difficulty, furthermore, of supplementing them with other slaves or with free labor.”<sup>15</sup>

The creole *hacendados* of the west, entangled in dying slavery on the one hand and ensnared in a web of indebtedness to *Peninsular* merchant-bankers on the other, replayed a Gone-with-the-Wind-like scenario, rattling through the streets of Havana Vieja in their fine *volantes* enroute to lavish balls, while their accountants negotiated one last promissory note. In a vain attempt to hold to slavery and a rapidly eclipsing way of life, this class of creole *hacendados* failed to lend crucial support in the first great struggle against colonial rule.

It was to be the old planter class of the east of coffee growers, cattlemen and some sugar growers, who were to lead the first serious revolt against Spain in a vain attempt to save themselves from economic forces which transcended the immediate and ephemeral colonial policies of the Spanish government.

One such *hacendado* was Carlos Manuel de Céspedes, owner of the sugar estate La Demajagua located near the town of Yara and the coastal town of Manzanillo. In the hope of uniting dissident groups throughout the Island behind his revolutionary struggle, Céspedes all but proclaimed the revolution in a stirring speech at the *finca* San

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<sup>15</sup> LeRiverend, Historia Económica de Cuba, p. 453.

Miguel on August 1st.<sup>16</sup> In October he issued the famous *grito* and the east rose in open rebellion.<sup>17</sup>

The lengthy war of attrition ravaged the eastern provinces, and many sugar estates and other properties were destroyed. The war had two beneficial effects on the sugar industry: the destruction of the most antiquated and least productive mills on the Island and a short-term elevation of sugar prices. This rise in prices in conjunction with good harvests allowed many of the surviving producers (mostly in the western provinces) to pay off a good part of their mortgages, thus granting them a temporary reprieve from ruin.<sup>18</sup>

The war, according to Moreno, also helped to solve another of sugar's looming problems: that of labor.<sup>19</sup> While emancipation was yet to have a serious effect on the labor supply, other than to drive up the price of slaves, it was clear to all prescient observers that slavery's days were numbered. The defeat of the South in the U.S. Civil War followed by the triumph of Spain's liberal revolution in 1868 created favorable conditions for gradual emancipation. With the passage of the Moret Law in the same year the Spanish Cortes instituted the incremental abolition of slavery in Cuba. <sup>20</sup> With the

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<sup>16</sup> Historia de Cuba. Dirección Política de las F.A.R. n.d., n.p.p.

<sup>17</sup> Thomas, Cuba, p.243. La Demajagua was one of the minority steam-powered mill in the east. It was a small mill, however, with only 100 acres under cultivation in 1860. Thomas points out that the family of Pedro Figueredo, a leader of the Junta Revolucionaria of Bayamo, also owned a steam-driven mill near Bayamo.(p. 242).

<sup>18</sup> Moreno Friginals, "Plantations in the Caribbean," p. 16

<sup>19</sup> *Ibid.*, p. 17.

<sup>20</sup> As early as 1847 Chinese contract labor had begun to enter the cane fields in response to labor shortages. The Chinese continued to immigrate (voluntarily or otherwise) by the



Ten Years War came the *quintos*, conscripts from Spain, who were sometimes given the choice of serving in a military capacity or working in cane fields, a practice considered highly illegal in Spain. Mostly from the Canary Islands, Asturias, and Galicia, these men became proficient cane cutters, and by the 1880's provided an efficient flow of immigrant labor during the *zafra* and thus helped to ease the transition to free labor.<sup>21</sup>

In other ways as well the war benefited sugar and served to lay the groundwork for the future expansion and modernization of the industry. The Banco Colonial and Banco Español de la Isla de Cuba, both controlled by Spanish merchants along with some representatives of the Creole oligarchy, had been charged with financing the war which "turned out to be an enormously profitable deal."<sup>22</sup> The war also benefited shipping, and railways, and many such legitimate businesses profited from shady deals. All of this economic stimulation produced liquid capital to finance the critical modernization of the mills and the construction of new *centrales*.

A sign of the times was the founding of the Asociación de Hacendados de la Isla de Cuba. Established at the conclusion of the war to guide the activities of cane producers, the Association promoted worker migration, agricultural and industrial training schools, sponsored research, set up direct communications with the New York and London sugar exchanges, published a trade journal,

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thousands, not reaching peak numbers until the early 1870's. Scott, Slave Emancipation in Cuba, p. 90. In 1877, however, 70 percent of sugar production was still based on slave labor.

<sup>21</sup> Moreno Fraginals, "Plantations in the Caribbean," p. 17.

<sup>22</sup> *Ibid.* pp. 17-18.

and formed a powerful lobby to defend the interests of the industry's owners.<sup>23</sup> In short, it was another step toward the rationalization of the Cuban sugar industry.

### The Aftermath

"The old planters were slow to adapt themselves to changing economic conditions, but new blood and new capital were found; new processes and new machinery were introduced to offset the loss of slave labor; manufacturing and agricultural departments were gradually separated, and country people leased small pieces of land from the estates and delivered cane to the mills or centrals."<sup>24</sup>

Thus Edwin Atkins describes the transition to free labor, new technologies, the bifurcation of the industry into the two distinct sectors, the emergence of the *colonato*, and the destruction of the old planter class.

In the east the Ten Years War had swept away the various forms of traditional agrarian social relations and destroyed those inefficient *ingenios*, which because of their location or inability to raise capital, were unable to avail themselves of the new technologies which were transforming the industry in the western provinces.<sup>25</sup> To paraphrase Julio Le Riverend, the war constituted one more event which combined with existing economic forces

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<sup>23</sup> *Ibid.*

<sup>24</sup> Edwin F. Atkins, Sixty Years in Cuba. Cambridge, Massachusetts: Riverside Press, 1926, p. 39.

<sup>25</sup> An exception was the area around Manzanillo where old ingenios founded before the Ten Years War were able to recover from total destruction to become significant mills by 1890. LeRiverend mentions Dos Amigos (1884), Isabel (1886), and Niquero (1884). Historia Económica, p. 470.

propelled Cuba toward a total restructuring of the colonial economy.<sup>26</sup>

Nowhere in Cuba was the transformation more complete, more thorough than in Camagüey. Until 1868 the province of Puerto Príncipe had been characterized by the seemingly eternal, archaic forms of appropriation and agrarian exploitation.<sup>27</sup> The old province was compared to Virginia for its hierarchical society enshrouded in the traditions of a quasi-mythical past and entrenched in intransigent racism. The Ten Years War utterly destroyed the material base of this effete culture.

According to Torres Lasqueti, the colonial chronicler of the province, and José Ramón Betancourt, the provincial representative in the Spanish Cortes in the 1880's, there were a total of 100 *ingenios* in the province in 1868 of which only one survived the war. Nor did the region's famous cattle *haciendas* escape destruction. Of the 2,853 cattle ranches which existed before the war, only one *potrero* remained in 1878.<sup>28</sup>

### The Crisis of the Eighties

Louis Pérez comments wryly that "Planters fortunate enough to survive the war succumbed to peace."<sup>29</sup> There is little exaggeration

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<sup>26</sup> LeRiverend, Historia Económica, p. 454.

<sup>27</sup> *Ibid.*, p. 255.

<sup>28</sup> *Ibid.* Oriente did little better. Of Bayamo's 24 mills and Manzanillo's 18, none survived the war. Louis A. Pérez, Jr., Cuba: Between Reform and Revolution. New York: Oxford University Press, 1988., p. 127.

<sup>29</sup> *Ibid.*, p. 129.

in this statement. Thomas, LeRiverend, Moreno, Ortiz, and others document the beginning of the end for the old planter class throughout Cuba with the treaty of Zanjón in 1878. As Pérez puts it "The war released forces that continued to alter the character of Cuban society long after the insurgent armies had abandoned the field." 30

After Zanjón property relations and modes of production entered an era of transition. Social formations, commercial linkages, and political alliances were all subject to change. Those planters who had failed to modernize for whatever reason were among the earliest casualties of the economic crisis that was to bring the entire Cuban sugar industry to its knees. It was not until 1921 that the outlook for sugar was again to appear so bleak.

Survivors of the war faced up to 30 percent interest rates which severely hampered critical efforts to modernize the mills.<sup>31</sup> In addition, the decline in Cuban production opened up a vacuum in the world market that was quickly filled by foreign producers. Sugar production in the United States increased with the introduction of new varieties and especially with the expansion of the sugar beet industry in the northern plains. After 1876 cane sugar from Hawaii's rapidly expanding industry entered the U.S. duty free. World production was further augmented by increased exports from other

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<sup>30</sup> *Ibid.*, p. 126.

<sup>31</sup> Thomas, Cuba, p. 271.

parts of Latin America, especially Argentina, Peru, Mexico and the Dominican Republic.<sup>32</sup>

But it was in Europe that the situation altered most dramatically. By the 1880s France, Austria, and Germany were principal sources of the world's sugar.<sup>33</sup> In 1850 beet sugar comprised 15% of the market, but by the early eighties beet sugar surpassed cane sugar in world production.<sup>34</sup> In the late 1860s Cuba supplied about 30 percent of the world's sugar but by the late eighties her share had fallen to 11 percent.

With beet sugar supplying all Europe's needs, only the U.S. market had the capacity to absorb the Cuban production. But with increasing exports from cane sugar producers around the world plus the revolution in beet production, prices began a steady decline throughout 1884 from an average of 11 cents per pound of raw sugar to 8 cents. It was becoming increasingly evident that to meet the increasing competition on the world sugar market, in a period of sharply falling prices in the midst of changing market standards, required a complete transformation in the industry.<sup>35</sup> Higher local taxes, and rampant inflation, added to the planter's burdens and sugar estates failed, land changed hands, and mills closed by the

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<sup>32</sup> Jack H. Galloway, The Sugar Cane Industry: An historical geography from its origins to 1914. Cambridge: Cambridge University Press, Cambridge Series (#12), 1989, Fig. 7.2, p. 159.

<sup>33</sup> Leland H. Jenks, Our Cuban Colony. A Study in Sugar. New York: Vanguard Press, 1928, p. 28.

<sup>34</sup> Galloway, The Sugar Cane Industry, fig. 6.1, p. 132.

<sup>35</sup> Jenks, Our Cuban Colony, p. 26. In addition, planters were having to cope with the major adjustments attendant to the transition from slave to free labor.

dozens. The U.S. consul reported in 1884 that "Out of the twelve or thirteen hundred planters on the island, not a dozen are said to be solvent."<sup>36</sup>

By the mid 1880s all Cuba was in depression. Many major banks and trading companies failed, which caused the loss of additional moneys held in planters' accounts. By 1885 sugar prices had fallen to the point at which they did not equal the cost of production, and credit was virtually non-existent. Where mills continued to operate, the workers were often paid in depreciated scrip, and with the closing of the cigar factories, and the exacerbating effects of abolition, unemployment drove thousands to emigrate, particularly to Florida.

The only bright spot in the picture for some planters was the dramatic expansion of the Island's rail system. The sharp decline in the price of steel and steel rails as a result of the more efficient Bessemer process not only greatly reduced the cost of transporting both cane and bagged sugar, but also gave the producers the freedom to ship from ports other than Havana. These *subpuertos* freed the producers from the machinations of the Havana commission merchants, who charged exorbitant fees for allowing the sugar to pass through their warehouses, and across their wharves to the waiting ships.<sup>37</sup> Of course only those few planters who had managed to remain solvent could afford to build the private narrow- gauge railroads on their estates and to buy the rolling stock used to haul

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<sup>36</sup> Pérez, Cuba: Between Reform and Revolution, pp. 130-31.

<sup>37</sup> Thomas. Cuba, p. 273.

the cane to the mill, not to mention extending rail lines to the nearest port. Those fortunate enough to have a public line pass through or near their properties were in the best position to take full advantage of this new factor in the equation of sugar profits. For the majority, however, the rail lines only served to further effect the transfer of wealth from the smaller planters of the old oligarchical families to the new owners of the great *centrales*. The latter were content to make the sugar and sell or lease off land to *colonos* who would bear the many risks of weather, labor, and even to some extent the market, thus buffering the sugar producers from the hazards of agricultural production.

In the short term, the Cuban economy had been dealt a staggering blow by the destruction wrought in eastern and central Cuba during the Ten Years War; the Island lost two-thirds of her total wealth between 1862 and 1882, and the depredations brought on by the changes in the world market had yet to begin.<sup>38</sup> By the late eighties and early nineties, however, we see the beginning of a mature consolidation of the new Cuban economy of the *centrales*, but now fueled principally by foreign capital working in conjunction with *colonos*. Moreno Fraginals states that, "It is no exaggeration to say that as regards sugar in the Caribbean, in the nineties everything was completely different from what existed in the sixties."<sup>39</sup> And as

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<sup>38</sup> Boletín Comercial, April 10, 1890 cited in Pérez, Cuba: Between Reform and Revolution, p. 134. In the long term, however, the effects of the Ten Years War and even the sugar crisis that followed, were cruel but perhaps inevitable and even efficacious as the old anachronistic forms were destroyed, clearing the way for new social relations and new historic challenges.

<sup>39</sup> Moreno Fraginals, "Plantations in the Caribbean," p. 3.

Moreno knows so well, nowhere in the Carribean was this more true than in Cuba.

### The Emergence of the Colonato

The abolition of slavery and the establishment of the *centrales* (with the consequent reduction of the number of Cuban mills from 1190 in 1877 to 207 twenty-two years later) brought about new forms of relations of production in Cuban sugar. The name of a new system of production, the *colonato*, came to serve as a general rubric for various kinds of arrangements involving persons of widely differing economic circumstances and class backgrounds.<sup>40</sup> As Rebecca Scott points out,

The term "*colono*," . . . does not imply a specific class status or a particular relationship to the means of production. *Colonos* ranged from persons who were in effect working piece-rate on land owned by vast estates to investors who owned land and employed large numbers of workers.<sup>41</sup>

*Colonos* ranged from ex-slaves to owners of former *ingenios* who were reduced to feeding a central. Most, however, were "new men, immigrants from Spain or from other small farms."<sup>42</sup>

Well established by 1887, this system of decentralized management of sugar estates was initially developed in response to the chronic lack of capital which had plagued mill owners since the

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<sup>40</sup> Alan Dale Dye, Tropical Technology and Mass Production: The Expansion of Cuban Sugarmills, 1899-1929. Ann Arbor, Michigan: UMI Dissertation Services, 1991, p. 3, and José R. Alvarez Díaz, et al., Cuban Economic Research Project. A Study on Cuba. University of Miami Publications in Business and Economics, No. 8. Coral Gables: University of Miami Press, 1965. p. 97.

<sup>41</sup> Scott, Slave Emancipation in Cuba, p. 212.

<sup>42</sup> Thomas, Cuba, p. 277.



late sixties.<sup>43</sup> It also helped to solve the labor shortage after the end of the *patronato* in 1886, and "facilitated the bringing of new areas under cultivation."<sup>44</sup> In the case of the new *centrales* such as Francisco, the *colono* system was used as a means to attract cane growers to the remote, thinly populated districts of eastern Cuba.

The *colono* might either lease or own the land, and the size of a *colonia* varied from a few acres to over 3000 acres. The typical *colono* in western Cuba was said to have had "ten or fifteen *besanas* (furrows)."<sup>45</sup> The *colono* entered into a contract with the central to plant cane on a given number of *caballerías* of land and to deliver the product to the mill. This contract was itself called the *colonato* and incorporated within it were up to three separate agreements: The grinding agreement (*molienda de cañas*), the credit agreement (*refacción agrícola*), and the land lease (*arrendamiento*). Thus, in accord with the credit agreement, the mill owner made advances to the *colono* to cover the costs of planting, cultivating and harvesting the cane, which costs were deducted at final settlement. The *colono* bore the brunt of the agricultural risks including disease, pests, drought, flood, fire, and wind, but perhaps even more importantly, as

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<sup>43</sup> By divorcing himself from the agricultural component of sugar production, the mill owner could concentrate all his capital on the manufacturing side. see Ramiro Guerra y Sánchez. Sugar and Society in the Caribbean: An Economic History of Cuban Agriculture. New Haven: Yale University Press, 1964, p. 64. It can be added that this was the value-added phase of the process and thus was obviously more attractive to capital than the production of a raw commodity.

By 1887 approximately 35-40 percent of Cuba's crop was produced under the *colono* system. Jenks, Our Cuban Colony, p. 33.

<sup>44</sup> *Ibid.*, (Jenks), p. 31.

<sup>45</sup> Hugh Thomas quotes the slave Montejo in Cuba, p. 277.

the party responsible for hiring labor, shielded the management of the central from that source of volatility also.

Fé Iglesias, in her study of the *colonato* in Cuban sugar production, claims that in its initial stages, the *colono* system favored the small planters because of competition between the *centrales*. The price of cane varied across Cuba depending on "the supply, the demand of the *centrales*, and transportation facilities."<sup>46</sup> She found, however, that the owners began "to put a brake on the free play of supply and demand by means of contracts of *colonato* and moneylending, which the small planters, in the absence of alternatives, were obliged to accept." "These contracts," she says, "obliged the *colono* to supply cane exclusively to the particular central at stipulated prices and conditions."<sup>47</sup>

As the *colono* system matured within the context of changing social relations in pre and post-war Cuba, two types of contractual arrangements emerged, dividing the *colonos* into two distinct categories: the *colonos de central* and the *colonos independientes*. The former leased their land from the central (or possibly from a

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<sup>46</sup> Fé.Iglesias García, "The Development of Capitalism in Cuban Sugar Production, 1860-1900," in Between Slavery and Free Labor eds. Manuel Moreno Fraginals, et al., p. 72. This competition between centrals would have been limited to the older sugar districts in the west, for in the east, with the exception of one or two localities, the centrals were too remote from one another to occasion this practice. Professor Iglesias does not indicate when, in her opinion, this competition between centrals ceased, but if it continued up until the war, central management might have considered this another factor against the of milling sugar in western Cuba, or to put it another way, one more reason to move east. See Chapters VII and VIII for further discussion of this central issue.

<sup>47</sup> "To protect itself from losses due to oscillations in sugar prices, the central occasionally committed itself to pay only for a specified weight of sugar -- not in cash but for the sale price the sugar attained on the market -- excluding the commission." Iglesias García, "The Development of Capitalism" in Between Slavery and Free Labor, eds., Moreno Fraginals, et al., p. 72.

third party), and secured an agreement from the central to advance a given amount of money for the expenses of the coming crop, based on either tasks or on *caballerías* planted to cane, as was the case at Francisco. This group was entirely dependent upon and chained to the central in an unequal relationship. The *independientes*, on the other hand, owned their own land and were often free to seek credit at better terms elsewhere, thus their relationship to the *central* was more or less limited to the grinding contract. The *independientes* were often men of means and were sometimes absentee owners.

Those *colonos* who did not own their own land became tied to the *central* by a triple bond: ground rent, the milling of the cane, and credit.<sup>48</sup> It was the latter that gave the most trouble. Most *colonos* were in a chronic state of debt. They were forced to sell their sugar as quickly as it was made to pay off labor and creditors, chief among whom was the *central*. Usually the mill settled with the *colonos* on the basis of the *promedio*, or average market value of sugar in Havana for that fortnightly period.<sup>49</sup>

According to Jenks, in western Cuba the *colonos* were *sitieros*, or small countrymen, and plantation managers were considered in the category of *colonos* also.<sup>50</sup> In the east, because the resident population was low, and at first most peasant families had access to

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<sup>48</sup> Lowry Nelson, *Rural Cuba*. Minneapolis: Colwell Press, 1950, p. 97.

<sup>49</sup> Jenks, *Our Cuban Colony*, p. 33. Jenks states that the promedio was based on the fortnightly average at the port through which the sugar was shipped. This may have been so later in the century, but for the period of this study, either Havana prices, or by World War I an average of Havana, Cárdenas and Cienfuegos prices provided the basis of returns to the colonos.

<sup>50</sup> *Ibid.*, p. 32.

the land (many therefore refusing to submit to the wages and working conditions imported by the new sugar corporations from the west), *colonos*, along with hoe hands, had to be attracted to the new cane lands from the west.<sup>51</sup> The initial difficulty of attracting *colonos* plus the unfavorable labor situation may have influenced some of the corporate sugar producers locating in the east to devote at least a part of their operations to administrative cane (company cane), as did Manuel Rionda at Francisco. Under this more direct system management had additional leverage over labor in these remote areas beyond the scrutiny of the general population, though it sacrificed the advantage of having *colonos* to act as buffers against labor unrest.<sup>52</sup> As will be seen in the case of Francisco, its very remoteness later worked to bring the opposite effect, namely an administrative policy in favor of greater colonization as defense against the politically inspired rebellions and/or social banditry common to eastern Cuba--but these *colonos* were, by virtue of company ownership of the lands, at least in theory, manageable.

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<sup>51</sup> At first, the peasants in eastern Cuba, particularly Oriente, enjoyed some security in the pesos de posesión, (or pesos de tierras), rights which were sometimes associated with the haciendas comuneras. These were mercedes owned communally by the heirs of the original grantee who for lack of surveyors, and other reasons, maintained the merced as one unit. But with the expansion of big capital latifundia beginning at the time of this study, a new group of landless farm people was created as the old haciendas were broken up and divided between the corporation lands. Nelson, Rural Cuba, pp. 87-88. See also Pérez's discussion of the alienation of the land from the peasantry of Oriente (Chapter 7, "Fairwell to Hope") in Lords of the Mountain.

<sup>52</sup> Most, if not all, eastern-based centrals provided housing, a company store, and sometimes a mess hall for workers, as this study reveals. All of these represented extensions of company control into the lives of the workers and provided additional tools for the manipulation of labor by management. For a discussion of these and other means by which the centrales extended their control over the lives of the workers see Moreno Fraguas, "Plantations in the Caribbean," pp. 6-7.

The Cuban War of Independence, 1895-1898

The sugar crisis of the eighties was a major factor in the conditioning of the Island for its final drive for freedom from colonial rule, but it was not the only factor. After the peace of Zanjón 250,000 immigrants entered Cuba before the turn of the century.<sup>53</sup> The vast majority were from Spain, particularly Galicia and Asturias. Many of these people were poor and lacking in formal education, but they did not come devoid of skills nor, in many instances, of family connections. In fact, the historic domination of commerce and banking by the Peninsulares intensified in these last years of colonial rule. In the expanding sectors such as manufacturing and transportation they dominated, as well. The practice of *sobrinismo* (uncles employing nephews) was widespread, and the immigrants gained a reputation for uncomplaining hard work and tenacity. Spaniards were often hired over natives, which had the effect of alienating Cubans from their own country. In the last third of the nineteenth century, 100,000 Cubans emigrated to find work in other lands.<sup>54</sup> Many of these also plotted revolution.

A great number of those doing the hiring were either not Cubans themselves, or were Cubans who worked for foreign-owned companies. As the planter class declined along with many of the old commission houses whose businesses had depended upon the entrenched family networks, foreign, especially U.S. firms, filled the vacuum. Names such as Atkins, Perkins & Walsh, Freeman and

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<sup>53</sup> *Ibid.* p.135.

<sup>54</sup> *Ibid* p. 136.

Stewart came to dominate sugar processing and trade and controlled a great part of the agricultural sector, as well. By 1895 only 20% of the mills remained in the hands of the old planter elite, and even they were becoming inextricably bound to the new North American capitalists as they acquired paper in and took seats as directors of North American companies. In addition, many firms with Hispanic names were in fact owned by Spaniards who had immigrated to the United States to live off trade with their relatives residing in Cuba. Manuel Rionda was typical of many of his countrymen in this respect.

In the late 1880s and early nineties the Cuban economy was rapidly becoming more and more dependent upon the United States.<sup>55</sup> By the late eighties approximately 94 percent of Cuban sugar was exported to the U.S. Given sugar's dominant position in the Cuban economy, plus the many non-sugar investments North Americans held in Cuba, it is no exaggeration to say that the entire market orientation of the Island's economy had turned toward the U.S. Thus Cuba became a country in political vassalage to Spain but economically dependent on the United States. This Janus-like condition on the one hand fueled the struggle of nearly all Cuban classes and interests to at least loosen if not break the ties with Spain, but on the other, drew Cuba like a magnet, first into the grip

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<sup>55</sup> The more highly rationalized and monopolistic character of the U.S. sugar refining industry from the late eighties on contributed to the increase in the volume of trade. In 1888 H.O. Havermeyer combined nineteen refineries which in 1890 became the American Sugar Refining Company known for many years as the Sugar Trust. These refineries were now turning out a standard product, white granulated sugar, at a lower price. The fixed capital investment in U.S. refineries had more than doubled in a decade. Jenks, Our Cuban Colony, p.29.

of the United States government and its occupying forces and ultimately the control of North American commercial and manufacturing interests.

As the remains of the Creole planter class allied itself as best it could with North American capital, the Cuban petit bourgeoisie became the core of nationalist resistance. Many members of that class had taken refuge abroad, especially in New York, Tampa, and Key West. José Martí, their chief spokesman, made a very nearly radical analysis of the situation in his sharp criticism of those in Cuba who represented the annexationist cause.

“They are happy to exist under a Spanish or Yankee master who keeps them and gives them important exalted positions as a reward for acting as procurers. . . They despise the mighty masses--the *mestizos*, skilful, vital; the blacks and whites, intelligent and creative.”<sup>56</sup>

He spoke of the same group as “the pretentious and ineffectual oligarchy” who attempted to use the United States to their own ends.<sup>57</sup> As early as 1882 Martí had written the mulatto insurgent hero of the Ten Years War, Antonio Maceo, that “the solution to the Cuban problem is not a political but a social one.”<sup>58</sup> Such views put the revolutionary core, the “*Cuba Libre*” faction, on a collision course with the conservative, North American capitalists class with its ominously deepening control over all Cuba.

In 1891 a treaty was signed between Spain and the United States which gave Cuban products certain customs benefits in

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<sup>56</sup> Christopher Abel, and Nissa Torrents. José Martí: Revolutionary Democrat. Durham: Duke University Press, 1986, p.105.

<sup>57</sup> *Ibid.*

<sup>58</sup> Pérez, Cuba: Between Reform and Revolution, p. 145.

exchange for special tariff concessions to U.S. exports to Cuba. The Foster-Cánovas agreement had a major impact on Cuban sugar production: from 632,000 tons in 1891, Cuba's production rose to the one million ton mark for the first time in 1894. Overall Cuban trade with the U.S. grew from \$54 million in 1890 to \$79 million in 1893 which exceeded Cuban exports to the mother country by a factor of twelve. By 1894 approximately 90 percent of all Cuban exports were bound for the United States.

This prosperity was short-lived, however, as Foster-Cánovas expired in 1894 and all tariff concessions were rescinded. Sugar production immediately dropped precipitously, falling to less than 225,000 tons in 1896. Meanwhile, the cost of new machinery and parts increased and the world price of sugar fell to below two cents a pound. "A very much overextended planter class had reached the historic one-million ton mark in 1894, only to lose access to the only market with the capacity to absorb the expanded production."<sup>59</sup>

The war itself brought far more general destruction to the sugar industry than the previous conflict. The Ten Years War had been limited almost entirely to that part of Cuba from Cienfuegos east and relatively little damage was done outside the provinces of Camagüey and Oriente. In the War of Independence no sugar district escaped; everywhere fields were torched, for no crop is more flammable than dry, sucrose-laden cane, and where mills were left unguarded, they were frequently burned also. The destruction of the *centrales* with their expensive, complex apparati represented far

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<sup>59</sup> *Ibid.*, p. 194.



greater losses than had the wrecking of the relatively simple, old *ingenios* during the earlier war.

Camagüey once again faced ruinous destruction to its agricultural base. A journalist traveling through the province reported that he “. . . saw neither a house, nor a cow, calf, sheep or goat, and only two chickens.”<sup>60</sup> Overall, the area under cultivation throughout the country fell by 36 percent.

"The state was separated from the dominant social class. Without favorable state policy in any number of forms, including extended moratorium on debt collection, tax exemptions, cash subsidies, and long-term low-interest loans, the Cuban planter class moved ineluctably toward extinction."<sup>61</sup>

Conditions were, as a consequence, bad for the *guajiros* as well. Many had lost their homes, livestock, and implements and tools. Half of the remaining 900,000 acres under cultivation were worked by tenants.<sup>62</sup>

### The Occupation: Sugar Looks East, 1899-1902

North American investments in Cuba had been relatively limited through the period of the Ten Years War. As outlined above, the changing conditions after the war opened up opportunities for U.S. sugar interests to insert themselves into the Island's distorted economy. Among the first of these was Edwin Atkins of Boston, who through his financing of the Torriente Brothers of Cienfuegos, who in turn had made advances to the failing Sarría family, thus acquired

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<sup>60</sup> *Ibid.*, p. 189.

<sup>61</sup> Pérez, Cuba: Between Reform and Revolution, p. 194.

<sup>62</sup> *Ibid.*, p. 194.

the famous Soledad estate comprised of 12,000 acres and including 23 miles of private railway lines. Later Atkins added two estates from the declining Sánchez family and several more large holdings from the tottering Iznaga family.<sup>63</sup> E. Atkins and Company was accompanied by the U.S. bankers Eaton Stafford & Company followed by Manuel Rionda's friend Hugh Kelly and his partner Franklin Farrell, who built the Central Santa Teresa near Manzanillo, the first of the eastern mills to be built by North American capital. The Rionda family was next with the purchase of Tuinucu near Sancti Spiritus in central Cuba in 1893.

Far more North American investment would have occurred during this period had conditions been more favorable. The period 1868 through 1880 was one of chronic warfare in Cuba: first the long Ten Years War, followed by the Guerra Chiquita. But it did not end there, for social banditry was rampant, particularly in the eastern provinces throughout the hard times of the eighties. Cuba had gained a poor reputation in the financial centers of Europe, Britain, and the Northeastern U.S., and there was a general expectation that at some point the other shoe would drop. The investors were correct, of course; the Revolution erupted in 1895 and for three years property of all kinds was subject to destruction. At the end of the war, which happily for U.S. interests had been concluded by U.S. forces, for the foreign capitalists it was as if the bright, tropical sun had finally emerged from behind the clouds after thirty tempestuous years. Cuba was at long last open for the taking.

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<sup>63</sup> Thomas, Cuba, p. 275.

Within months after the cessation of hostilities North Americans were buying up vast tracts of Cuban soil for the production of cane. In 1899 the Cuban-American Sugar Co. acquired the 7000 acre consolidated Tinguaro estate in Matanzas and the Merceditas estate on Cabañas Bay in Pinar del Río. In the same year the Cuban-American founded the giant Chaparra mill with approximately 70,000 acres on the north coast of Oriente. The American Sugar Company purchased a number of war-damaged estates in Matanzas, United Fruit bought 200,000 acres near Banes, also on the northern Oriente coast, and another 40,000 acres at nearby Puerto Padre on Nipe Bay. Constancia in Las Villas passed under North American control, and the Cape Cruz Company was founded with 16,000 acres near Manzanillo. Three other mills in the Manzanillo district, San Juan, San Joaquín, and Teresa, were purchased by Joseph Rigney, a United Fruit partner.<sup>64</sup>

As this first great wave of North American investment washed over the Island, Manuel Rionda looked east to found the Francisco Sugar Company at Guayabal on the wild and remote southeast coast of Camagüey. These were the lands known as the Hato Viejo. Alonso de Ojeda passed through in 1510, the Arawaks died out soon after, and for nearly four centuries the solitary coast had belonged to the flamingos, the caimans, and gentle manatees. But human, not natural

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<sup>64</sup> Pérez, Cuba: Between Reform and Revolution, p. 195. Despite these massive purchases, as Jenks points out, U.S. capital did not buy out the Cuban sugar industry. "In 1905 when a pre-war scale of output had been attained, there were 29 mills owned by American citizens producing 21 percent of the sugar." But he adds, in reference to the Cuban mill owners, "It will not be urged that they stood in need of much Americanizing. They formed part of the group of persons in the United States and Cuba to whom the American tariff on raw sugar was a serious inconvenience." Our Cuban Colony, pp. 131-32.

history was to be the program for the twentieth century, and the few scattered *bohios* were to be replaced by company housing, the meadows of Los Ranchos by a giant conglomeration of steaming, screaming machinery, and the forest by cane as far as the eye could see.

### CHAPTER III THE ORIGINS OF THE FRANCISCO SUGAR COMPANY

*" . . . to jump in and lose no time."*

#### Who Were the Riondas

The Rionda y Polledo family<sup>1</sup> was of Asturian origins, having immigrated to the Americas in the 1860's and 70's.<sup>2</sup> Don Bernardo de la Rionda and Doña Josefa Polledo y Mata had twelve children including the three sons who immigrated. The three boys were later followed abroad by at least four of the sisters.

The Rionda y Polledos were a prosperous farming family. Perhaps we could call them Big Peasants after Redfield's schema.<sup>3</sup>

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1 Sources for this summary of the Rionda family background include the personal reminiscences of Bernardo Braga Rionda (uncatalogued typescript, Braga Brothers Collection), and the introductory material in Carl L. Van Ness, "A Complete Guide to the Records in the Braga Brothers Collection," Department of Special Collections, George A. Smathers Libraries, University of Florida, Gainesville.

2 In reference to the poor provinces of north and northwest Spain, especially Asturias and Galicia, Raymond Carr states that the "Export of superfluous man-power from the poorer inland farms was an established tradition by the eighteenth century." This immigration, fictionally portrayed by both Clarín in Adios Cordera and in several of the novels of Palacio Valdéz, was both to other parts of Spain and to America. Raymond Carr, Spain: 1808-1975. Oxford: Clarendon Press, 1982, pp. 10-11.

3 Redfield's pioneering study of the peasantry posits an elite sub-class within peasant society, the "Big Peasants" or those who have achieved a certain degree of domination over their fellow peasants, having acquired more or better land or control over some value-added process, etc. Peasant Society and Culture, Chicago: The University of Chicago Press, 1960. Carr states that there were few peasant proprietors in Asturias, "perhaps six percent." *Ibid.*, p. 8.

They owned apple orchards and cider mills, one daughter, Bibiana, mother of Bernardo Braga Rionda, having four mills of her own as well as an interest in five or six tenant farms around the town of Noreña. The cider mills produced mostly champagne cider and the farms specialized in pork products which were shipped as far away as South America.<sup>4</sup>

Bernardo mentions that his father, being a very strong man, was one of four to carry El Cristo Rey through the streets of Noreña on El Día de los Santos. In the Fall his mother gave a feast for the poor, featuring, of course, fermented cider. After the fiesta she distributed beans, potatoes, hams, and other foods to the guests, all of whom brought large baskets in which to receive this largesse. When his mother died (Bernardo was only eight), she was dressed in the clothes of Ecce Homo, from the local parish church.

Despite their prosperity, Bernardo, like his many siblings and cousins, was expected to work hard in his youth for whatever money he got. He recalls his first job selling burros' milk to convalescent Cubans who had come to Spain to take the cures. After his mother's death his schooling was discontinued until his arrival in the United States.

The first three Riondas to come to the Americas were the brothers Francisco (Pancho), Joaquín, and Manuel. Francisco, (1844-1898) the eldest, lived in Cuba for most of his life. As did many young Spanish émigrés, he first went to work for his established

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<sup>4</sup> Cider was an integral part of Asturian culture, so much so that Asturian emigrants to Cuba continued to demand their cider which was supplied to them by North Americans, the Spanish product being too dear. *Ibid.* (Carr), p. 306.

uncle Joaquín Polledo in the firm of Polledo, Rionda y Cía.<sup>5</sup> He also worked on the Central China, Polledo's well-known sugar estate in Matanzas Province. The second brother, Joaquín (1850-1889), settled in New York City where, in 1873, he formed a partnership with Lewis Benjamin, a commission agent dealing chiefly in Cuban sugars, grains, and lard, to be called Benjamin, Rionda and Company. Benjamin died three years later, but the trading house continued for a short while longer with the participation of sons of both families.

In 1878 Polledo, Rionda y Cía. failed, leaving a debt of over \$400,000 which brought down the house of Benjamin, Rionda and Company, as well. The Riondas, however, were able to acquire the Central China as a part of the settlement. Eventually that *Central* was purchased by the New York Sugar Manufacturing Company owned in part by Hugh Kelly, who later was to become Manuel's friend.

Manuel Rionda y Polledo (1854-1943) was born in Noreña and came to the United States at the age of sixteen, completing his education at Farmington (or the Little Blue School as he fondly called it) in Maine. After four years of preparatory schooling he was ready to go to New York to join his brother at Benjamin, Rionda and Company. He remained in New York, experiencing in early career the trauma of a failed company. He first set foot on Cuban soil in the early 1880s, joining his two older brothers there at the Central China. Joaquín's death in 1889 may have unsettled the family's affairs in Cuba for we find Manuel back in New York a short time thereafter, leaving Francisco to handle the family's interests on the Island. In New York

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5 The term for this very common practice was sobrinismo.

Manuel, now in his late thirties, went to work for C.M. Ceballos & Company. In 1896, at age forty-two, he joined Czarnikow, MacDougall and Company, the New York offices of C. Czarnikow, Ltd. of London, one of the world's largest sugar brokers. With Czarnikow, Rionda eventually was to make his fortune.

### The Riondas and Cuban Sugar (1878-1896)

After the Pact of Zanjón in 1878 the life of the planter changed; the Cuban sugar industry sunk slowly into an abysmal crisis.<sup>6</sup> By the mid 1880s all Cuba was in a depression as major banks and mercantile houses failed losing what few resources the planters had left. Sugar prices sank below the cost of production and credit became virtually non-existent.<sup>7</sup> Yet after the sale of Central China the Riondas bought more property, this time in Santa Clara Province (now Las Villas) near the city of Sancti Spíritus. There they erected a modern *Central* which they christened Tuinucu. In 1891 the new estate was incorporated as the Central Tuinucu Sugar Cane Manufacturing Company under the laws of New Jersey.<sup>8</sup> Manuel would henceforth travel to Tuinucu each winter to oversee the commencement of the *zafra*.

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<sup>6</sup> "Out of the twelve or thirteen hundred planters on the island, not a dozen are said to be solvent," said the US consul in 1884, quoted in Louis A. Pérez, Cuba: Between Reform and Revolution, New York: Oxford University Press, 1988, pp. 130-31.

<sup>7</sup> For an excellent study of the late colonial Cuban banking system see Susan J. Fernández, Banking, Credit, and Colonial Finance in Cuba, 1878-1895, Ann Arbor, Michigan, U.M.I. Dissertation Services, 1987.

<sup>8</sup> The name was later shortened to The Tuinucu Sugar Company. The telegraph code was Cielo.



The war (1895-1898) brought widespread destruction to Cuba's sugar industry. Cane fields were, of course, primary targets for incendiarism by insurgents, but sugar warehouses, plantation railroads, and the milling machinery itself were sometimes damaged or destroyed. Tuinucu suffered its share of the destruction; the cane was completely burned and the mill was partially ruined. Yet no sooner did US involvement become a virtual certainty, than the sugar business responded. Cane was replanted and plans were launched for new and bigger *centrals*--but now, it was understood, under the aegis of North American credit and capital.

#### Who Were the First Francisco Investors

Manuel Rionda enjoyed a reputation in the sugar industry for integrity, energy, and conservative creativity, and he was not slow to take full advantage of his many and far-flung relations throughout the sugar world. This study finds him at the first dawn of the telephonic age, thus it was with pen and cable that he maintained his web of complex relations about the trading arena of the North Atlantic.

In such a man's life were others who could, with some degree of certainty, be relied upon to commit some portion of their abundant resources on any recommendation by him, their friend and associate. Years of communication, a shared social milieu, and their friend's example of generally profitable endeavors will lead them to say, "yes, if he is behind this, it must be all right." Within this core of closely shared, virtually identical values, the wealthy bourgeoisie

revolve as ball bearings within their hermetic housing -- their values the grease that help to prevent friction, heat, and wear.<sup>9</sup>

A dozen or so such North Americans came forward in the first two years of Francisco's founding to support Rionda's venture. By and large these were sugar men and most certainly the vast percentage of the total invested represented other sugar capitals. This is hardly surprising given the intricacy and complexity of this major world commodity, encompassing two distinct and competing sectors within its agricultural component and two geographically separate but tandem sectors within its manufacturing component. An even more significant deterrent to the outside investor would have been the sugar market's reputation for instability and volatility, high even for the notoriously volatile commodity markets in general. And, of course, for our period, we must add to all of the above two other outstanding factors: First, the recent economic panic of 1896 which suppressed investment for several years, and second, but foremost, the uncertain status of Cuba with the ever-present threat of violence and the destruction of property.

The biggest investor by far was William J. McCahan. Born to an Irish peasant family in 1832, McCahan immigrated to America in his youth around the time of the potato famine of 1848, and like his

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<sup>9</sup> That this is, after all, a problematic state on an individual psychological level as well as on the level of society and human culture has been a focal point of philosophy, much of the social sciences, and the arts in the twentieth century. For a well-known particularly clever revelation of latter-day bourgeois culture see Roland Barth, *Mythologies*. Translated by Annette Lavers, New York: Hill and Wang, 1972. For a fresh, anti-reductionist interpretation of Marx's view of culture and its relation to economy see Robert D'Amico, *Marx and Philosophy of Culture*, Gainesville, Florida: University Presses of Florida, 1981.

contemporaries, Carnegie, Gould and Fisk, set an example of the so-called self-made man. He founded W.J. McCahan & Co. in Philadelphia in or about 1873 as a molasses house, and after the passage of the McKinley Tariff, converted it in 1892-1893 into a modern sugar refinery. During the earlier period of this study the McCahan Sugar Refining Company was a modest sized sugar refining concern, which chiefly marketed its product in Philadelphia and environs. In production and pricing it cooperated closely with the Havermeyer Trust in order to receive a share of the market.<sup>10</sup>

Closely associated with McCahan was John F. Craig. As head of J.F. Craig & Co., he was able to coordinate his sugar buying activities with W.J. McCahan & Co., and may have served as a kind of jobber for all of the McCahan sugar purchases or sales. In any event, the companies shared offices on South Front Street in Philadelphia and Craig was in daily contact with the elder man.

Henry P. Booth is a lesser known figure, but was connected with the Ward Steamship Lines of 113 Wall Street, across the street from Czarnikow, MacDougall & Co. The Ward Lines were in stiff competition with Munson for the Cuban sugar trade. Other minority investors were B.H. Willson of F.W. Willson & Son, Baltimore representatives for Lloyds of London, major marine insurers and thus sugar cargo underwriters, and Benjamin Parker of Boston, who

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<sup>10</sup> The Reference Book of the Sugar Industry of the World. New Orleans: Published by "The Louisiana Planter and Sugar Manufacturer," 1926, p. 98, and Alfred S. Eichner, The Emergence of Oligopoly: Sugar Refining as a Case Study, Baltimore: Johns Hopkins Press, 1969, pp. 189-90 and 211. Other refiners included Edwin Atkins & Co. of Boston, Doschers & Co. of Brooklyn, and Mollenhauer and Arbuckles with refineries in various Northeastern ports.

may have been a retired sugar man evidenced by his apparently advanced years and thorough knowledge of the industry. Rionda's lifelong friend Fred Allen of Portland, Maine was one of the first investors. Fred E. Allen & Co. exported barrels to the molasses trade and bought them back again full of molasses. The Allens had been instrumental in establishing the Rionda children in good Maine schools like Farmington.

In the first days of incorporation several other names appear, men associated with Rionda in various ways, but not large investors. Among these are Rionda's cousin Bernardo Braga's father-in-law who was involved in a number of businesses, but chiefly at this time in the nascent telephone industry as a contractor. With offices in Jersey City, he did Rionda the favor of sitting temporarily on the Board to satisfy the technicalities of New Jersey law. Joseph I.C. Clarke, Rionda's wife's brother of the Clarke family of Philadelphia, served likewise, and aside from the obvious family connection, in his role as a freelance writer on business and economic matters for the New York Herald, and possibly other papers, he continued a strong relationship with Rionda over many years.

As a close business associate, George MacDougall became a moderate investor in the Francisco, as one might assume he was almost obliged to do. Scots by birth, he was obviously a man of significant personal assets and maintained a home, "Ravenswood" near Bournemouth. He was, incidentally, close friends with Captain

Edward J. Smith of the Titanic, but whether he had any further connections with White Star Line is not known.<sup>11</sup>

As the Francisco Sugar Company and the Cuban-American Sugar and Land Company were fraternal companies at the least, their assets at times virtually interchangeable, it would seem obligatory to briefly survey that shareholding situation also. Of the 3,000 shares issued as of September 1901, 1,772 were held by the Rionda family, Manuel retaining voting rights. McCahan held 750 shares plus an additional \$50,000 investment in the planting at Guayabal, Henry P. Booth held 150 shares and Joseph I.C. Clarke, George MacDougall, J.F. Craig, James Craig, Francisco Coma (Rionda's friend and briefly a estate manager at Guayabal), Ivy M. Ross, Rafael Zavallós (Manuel's cousin and member of the firm) and W.J. Craig all held smaller numbers in descending order.

#### Birth of the Francisco Sugar Estate

On June 27th, 1898, as the obese, fever-racked Brigadier-General Rufus Shafter was preparing to scale the heights of El Caney in front of Santiago, Manuel Rionda was writing to his friend Hugh Kelly, that "some friends" of his were interested in some property on

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<sup>11</sup> Information regarding these early investors was gleaned from letterheads and correspondence from their respective folders located in the Braga Brothers Collection, Series 1 as well as from conversations with Mr. Carl Van Ness, Curator of the Collection. Other investors about whom less is known were Amos R. Little, R.S. Penroy, and James W. Cooper. The Braga Brothers Collection is rich in material relating to the U.S. sugar refining industry and references to the larger refiners are scattered throughout the correspondence.

the south coast of Cuba suitable for cane.<sup>12</sup> He described 17,000 acres of virgin soil "covered with the usual tropical timber" and with a frontage on the sea. He wanted to know what a fair price per caballería would be. This property was in fact a part of that tract purchased by Pancho in 1890, being one thousand caballerías of undeveloped land on the south coast of the Island between Manzanillo and Santa Cruz. The southeastern part of Camagüey (still Puerto Príncipe at the time) was essentially a remote backwater. The only village in the environs of Pancho's purchase was Guayabal, that may have had a population of 400 before the war but which had been reduced to far less than that during those years of travail. The Rionda brothers, however, were not deterred by the frontier character of this coast. In fact, it was this very unsettled and undeveloped quality that was their chief attraction to these lands.

In July Pancho wrote a long letter to his employers in London in which he laid out his analysis of economic conditions in Cuba for both the near and long term.<sup>13</sup> He forecast that in post-war Cuba there would be no debtors as debts and mortgages would be largely wiped out by the change in government. He predicted a very favorable business climate if Cuba were annexed but a less favorable one in the case of a protectorate (annexation at the time seemed to

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12 MR to Hugh Kelly, June 27, 1898, BBC, Ser 2. Kelly was a major figure in the sugar industry with investments throughout the Antilles. As co-founder of the central Santa Teresa near Manzanillo, he would have been quite familiar with conditions along the southeastern coast of Cuba. For more on Kelly and his influence on U.S. policy during the Cuban War of Independence see Edwin F. Atkins. Sixty Years in Cuba. Cambridge, Massachusetts: Riverside Press, 1926, pp. 216-17.

13 Francisco Rionda to Czarnikow, MacDougal & Co., July 7, 1898, BBC Ser 2.

many Spaniards and North Americans a near certainty). Cuba, he said, could produce one million tons of sugar within two years after peace, enough to supply the United States at around 1.25 to 2 cents fob for 96° *centrifugals*.

The prospects of a crop at Tuinucu for the next season were nil as the Estate had suffered serious damage to both fields and machinery during the war and Pancho was increasingly turning his attentions to the broader field of transforming other sugar estates into capital stock companies and "obtaining the control of sugar therefrom" (the Riondas had already sold shares in Tuinucu and Rosario.<sup>14</sup> For some time he had been active in this business, but the Spanish government had been very slow to accept the formation of stock companies out of sugar estates; nevertheless, in addition to the two Rionda estates, a few others had already been formed.<sup>15</sup>

Pancho also entertained another scheme, which could function hand in glove with the first. He listed the major brokerage houses in Cuba, suggesting that a combination could be formed under the control of the Czarnikow interests.<sup>16</sup> Such an Island monopoly,

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14 In December, 1897 Pancho wrote to Czarnikow, "If we should succeed in making an American Stock Company out of any of the Estates in Cuba, with the understanding that the sale of the sugars will be under your contract for a certain number of years, your commission and brokerage and my share thereof, to be as may be agreed upon at the time." Francisco Rionda to Czarnikow, MacDougall & Co., December 6, 1897, BBC, Ser. 90, Minute Book 1.

15 Among these were Hormiguero, Mapos, and Narcisa.

16 Turbecio Bea & Co. (Matanzas), Julio Rabel & Co. (Cárdenas), Nicolas Castaño (Cienfuegos), Lorrondo & Co. (Sague la Grande), Zozaya & Co. (Caibarien), and others unnamed in Manzanillo. Nearly all of these houses were in close touch with the Riondas and some of the heads were warm friends.

representing virtually all of the big Cuban merchants would have mirrored the Sugar Trust on the refining end of the business on the mainland.<sup>17</sup> Pancho may also have been thinking, after having been engaged in Cuban sugar production for 35 years, that it was time to free himself entirely from the burdens of the planter, which only grew heavier with the passing of each new political and economic crisis, and to operate chiefly in the mercantile or middle reaches of the industry between the planters cum capitalists and the North American refiners.<sup>18</sup>

That this is the case becomes clearer as Francisco continued by listing three ways to make money in Cuba: The first was to buy and sell sugar with revolving capital while making advances. This method, he said involved small risks but small profits also. The second way was to buy shares in industry, commerce, and utilities. Here one had small risks and larger profits, but capital did not turn over. The third method was to buy real estate and cane lands by which there was a larger risk, smaller profits, but capital could quickly double. The real problem with the last method, however--and this is, no doubt, why Pancho was thinking most favorably about his first approach--is that after the first two years [after peace] ". . . the American manner of forming syndicates and trusts, issuing bonds and watered stock will bring much inflation in values that a collapse

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17 Manuel attempted to follow up on this scheme in 1915 with the incorporation of Cuba Cane.

18 One must not draw an overly layered schematic of the industry as many of the Cuban brokerage houses had large interests in sugar estates, though the off-again on-again mortgage moratorium decrees under the Occupation played havoc with such portfolios.



such as that in the Argentines might take place." This criticism of U.S. business methods seems a bit hypocritical given that forming a new and more powerful mercantile combination than Cuba had ever seen was precisely Pancho's plan.

Pancho made a final prediction saying "Should Cuba be finally annexed to the US it would not surprise me to see many like H.O. Havermeyer, B.H. Howell, McCahan and other refiners buy large *centrals*, lands, railroads, etc, etc. in Cuba. . . ." He apologized for his "sketch in a skeleton," but wanted the opinion of the London House in regard to the "business herein mentioned so that when the time comes we may be prepared to jump in and lose no time."<sup>19</sup>

But Pancho had no time--he would be dead in five months.

The initial motive in purchasing the Guayabal property may have been to found a new Rionda sugar estate--this one far to the east of any previous Rionda venture, or it may have been only a speculative move in a part of the island which Pancho felt would see appreciating land values as other sugar capitals moved in after the war. Certainly by mid 1898 indications are that Pancho was moving away from further direct involvement in cane growing with its many accompanying uncertainties and risks. In any event, it was not to be Pancho but Manuel who was to determine the future of the Guayabal lands, and it was Manuel who ultimately took his dear Pancho's words to heart: "jump in and lose no time."

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19 B.H. Howell Son & Company were a commission agents, and had probably not refined sugar since 1879. Eichner, The Emergence of Oligopoly, Appendix B, p. 341.

In August, having heard that Henry DeFord's friends were looking for Puerto Rican sugar estates, Manuel wrote him to ask if his friends might be interested in 17 thousand acres on the south coast of Cuba. The property, he said, had a one mile frontage on the sea at a point with sufficient depth to load large vessels at the wharf--the price, \$150,000 cash.<sup>20</sup> Five days later he wrote his attorney, John R. Dos Passos, to make an appointment to talk about the sale of Cuban property. DeFord's friends, however, proved to be uninterested in Cuba, as did a Mr. Sheldon who J.F. Craig sent around to see Manuel.<sup>21</sup>

Pancho died suddenly on November 13th and it fell to his bereaved brother to tie up his affairs, which were considerable. Some three weeks later Manuel received an offer for a part of the Guayabal lands from J.M. del Valle Yznaga of Hobbs, Del Valle Yznaga & Co., New York importers, but this offer was rejected. Manuel wrote back that the owner would sell 500 *caballerías* (16,500 acres) for \$7.50 an acre. "The lands are guaranteed to be good sugar lands," he said and then added "As to location, it is well known that on the south side of the Island the lands are far superior to those on the north side."<sup>22</sup> In January, 1899, having just returned from Cuba where he visited Guayabal to inspect his dead brother's property, Manuel was still trying to sell some part of the land. He offered Del Valle 500 *caballerías* of the Guayabal land for \$123,750 cash, his

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20 MR to DeFord, August 17, 1898, BBC, Ser. 2.

21 MR to unnamed correspondent, August 24, 1898, BBC, Ser. 2.

22 MR to J.M. Del Valle, December 8, 1898, BBC, Ser. 2. This statement is doubtful.

choice of any north-south strip excluding the land at the wharf (to which he would be given free use) and not to include over one-fifth the sea front. The total of all the land equaled, he said, 1300 *caballerías* or about 43,000 acres.<sup>23</sup> Nothing ever came of that offer either.

We can speculate that Pancho's widow was anxious to wind up her late husband's affairs (though such matters require a notoriously long time in Cuba, particularly so in the case of Pancho as he died intestate) in order to assure her own and her children's future. This would presumably involve the liquidation of real assets, particularly 43,000 acres of wilderness in eastern Cuba. There is evidence that Manuel was also anxious to probate his brother's estate as quickly as possible out of a strong sense of duty to his brother's memory and to his survivors; it would have been well to have sold off even some small part of the land to help with immediate expenses.

It would seem, however, that Manuel's visit to Guayabal in December and January deeply affected his attitude toward these lands, for immediately upon his return we find him writing to one Salvador Fluriach of Santa Cruz del Sur (whose name Manuel was to come to know all too well) in regard to sugar machinery and a contract for a *colonia*. It is evident that Manuel was bitten by the planter's bug; he was going to carve out a sugar estate!<sup>24</sup>

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23 MR to J.M. Del Valle, January 29, 1899, BBC, Ser. 2.

24 “. . . and from all I could gather and from what I saw on the spot, I believe they are thoroughly good lands for the cultivation of sugar cane.” MR to Czarnikow, February 7, 1899, BBC, Ser. 2. see also MR to Salvador Fluriach, January 31, 1899.

## Raising Capital in New York and Philadelphia

### Cuba and the World Sugar Market in 1900

In 1900 the “golden age” of sugar had been dead in Cuba for at least thirty-five years--as dead as Marley’s ghost.<sup>25</sup> Since the inception of the Ten Years War the planters had suffered extensive damage as a result of that somewhat inconclusive and demoralizing struggle, followed by more fighting (La Guerra Chiquita), the end of slavery, a serious labor shortage, a disastrous fall in prices, and worst of all, as a consequence of the last, the necessity to expend far more capital than they had available to them on larger, technologically efficient mills.

Over the long term it was the *Beta vulgaris* which must be held responsible for the falling prices of sugar on the world market. From the mid nineteenth century European beet sugar came into significant production, and by the early 1880s there was more beet sugar in international trade than cane; by 1900 two-thirds of the commercial sugars were manufactured from beets. With the aid of protective tariffs and export bounties, especially on the European continent, temperate zone sugars continued to dominate the market until World War I, at which time widespread destruction in Europe

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<sup>25</sup> The term “golden age” refers to that period between the 1820s and the outbreak of the Ten Years War (1868) in which the Cuban planter elite enjoyed high prices, plentiful slave labor, and peaceful social and political conditions. Hugh Thomas, Levi Marrero, and Jack Galloway echo the term. cf. Jack H. Galloway. The Sugar Cane Industry: An historical geography from its origins to 1914. Cambridge: Cambridge University Press, Cambridge Series. (#12),1989, p.164.

and the disruption of the normal channels of international commerce gave cane sugar the advantage.<sup>26</sup>

Any and all considerations of the Cuban economy during this period must be viewed against the backdrop of a market glut and extremely low prices. In fact, world prices in 1900 were lower than they had ever been in history, having fallen precipitously since 1850.<sup>27</sup> With the market price at or below the cost of production, Cuban sugar interests were forced to do two things: first, to take measures over that which they controlled, i.e.. lowering, if possible, the cost of production; second, to attempt to influence that over which they did not have direct control, i.e.. the import duties of the United States. The US was, after, Cuba's only market. Europe was full of beets (even Spain erected a few beet mills), and South America had plenty of cane--practically every South American country was a producer.

The first need, cutting the cost of production, required a great deal of capital, for it was principally on the basis of economy of scale that production costs could be reduced. What was required were larger, modern *centrales*, and larger units of production.<sup>28</sup> Mills not

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26 By this time, however, beet sugar production on the North American Great Plains was becoming significant, especially for the domestic market. Galloway, 1989, pp 130-34. Russell H. Fitzgibbon, Cuba and the United States: 1900-1935. New York: Russell & Russell, Inc., 1964, pp. 205.

27 An excellent line graph in Galloway, The Sugar Cane Industry, p 239, dramatically illustrates the fluctuation and then decline in prices between 1730 and 1900, as well as the sharp recovery to 1914. The price of Cuban sugars on the New York market reached their all time nadir in 1902. Dye. Tropical Technology, Fig. 1.7.

28 For an economic analysis of the expansion and modernization of the centrales, see Dye, Tropical Technology, passim.

capable of turning out 100,000 bags, at minimum, were rapidly becoming too inefficient to operate for the export trade. Sugar estates of less than 20,000 acres or so could not supply the needs of the larger mills, nor could those former planters-turned-colonos who owned their own lands be depended upon for the requisite production.

To erect a modern mill cost \$400,000 to \$600,000 dollars. In 1900 such money was not to be had in Cuba--not with the defaults and failures of planters and *centrales* all over the island fresh in the bankers' memories. Even more importantly foreign bankers who had backed Cuban banks, had little faith in the island's economy. In addition, the sugar merchants, at one time the chief source of planter credit, were in a precarious state, as well. Thus, the industry was caught in a double bind; money was required to escape the dilemma, but it was money that Cuban industry lacked.

It would have required a strong political arm indeed to have prevented the marriage of foreign, particularly U.S., capital and the land and labor of Cuba. That it was an unequal match ripe for the worst abuses was recognized by even the most intransigent Spanish-Cuban entrepreneur, but for Cuba at that hour, the time of the "poets" as Rionda called the delegates to the Convention, had passed.<sup>29</sup>

The second area over which Cuban sugar interests needed to exercise influence, if not control, was that of the US tariff policies.<sup>30</sup>

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29 MR to Luis Placé, April 9, 1901, BBC, Ser. 2.

30 The subject of tariff policy is covered in some detail in Chapter IV.

With the New York prices hovering around two cents per pound and the cost of production generally considered to be between 1.6 and 1.8 cents, it is apparent that any tariff at all would be devastating. In fact, the Dingley Tariff of 1897 had established duties on Cuban sugar averaging 1.685 cents per pound. There was, of course, the infamous Sugar Trust headed by H. O. Havermeyer, but in the United States House of Representatives Reciprocity Treaty Hearings favorable testimony was often discounted as the pleadings of rich refiners and/or wealthy Cuban planters.

After the passage of the Platt Amendment a reciprocity treaty was signed, although it was not as favorable to Cuban sugar as Rionda and others had hoped. Tariffs became gradually less important, however, as the price of sugar began a slow recovery after 1903.

#### Manuel Rionda Floats a New Sugar Company

*" . . . there can't be any great differences to come up to absorb the enormous profits."*

January 31st, 1899 was a busy day of letter writing for Manuel Rionda. He was bursting with ideas as to how to go about setting up his new venture, the Francisco Sugar Company, which it is clear not only represented a bold enterprise, but also a memorial to his dear Pancho. Rionda was certain that investment in Cuba was now a safe proposition (in fact, based on a reading of his business correspondence throughout the war, we can say that his prevailing attitude is that the conflict was little more than a passing nuisance).

"There is little doubt," he insists, "that the American flag has been raised in Cuba and never will be hauled down."<sup>31</sup>

After writing Fluriach and offering him the opportunity of being the first colono on the estate, Manuel then wrote to the sugar-making machinery manufacturing firm of Krejewski & Pesant.<sup>32</sup> He wrote this "letter of understanding" as the representative of Pancho's wife and heirs in regard to the Guayabal lands and explained that his plan was to form a stock company to which the land would be transferred for a nominal consideration--this to avoid the awkwardness of having to deal with K & P as the representative of his late brother's estate--these arrangements to be made within one month of the probating of the will (which did not exist, but would presumably take the form of a post-mortem document written by attorneys).

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31 Unbridled optimism aside, Rionda was cognizant of the possibility of unrest, as were many North American businessmen and government officials alike. Unlike his peers, however, he minimalized the danger of all out revolt. In speaking of the resentment among the Cuban war veterans who had received no pay he says, "While the Cubans are in this attitude there is some danger of their destroying property, but this will be confined to the cane fields and not to the cities. This is the only thing that keeps capital away from Cuba just now, but I believe the American government will before long realize that it will be better to pay those people off and allow them to do other work." MR to John Butler of Geo. Borgfeldt & Co. (NYC), February 1, 1899, BBC, Ser. 2., and later to Julio Rabel, "You see that the Americans finally realized they had better pay the Cuban army. Now I expect peace and work." MR to Julio Rabel, February 4, 1899. In his letter to Butler he goes on to predict an economic boom in Cuba centering around a tourist industry for North Americans.

32 MR to Krejewski & Pesant, January 31, 1899, BBC, Ser. 2. K & P was a major industrial development and the principal sugar machinery manufacturing firm in the United States. They had over \$200,000 in capital and an excellent Bradstreet rating. During the occupation they enjoyed a lucrative US Government contract for ship repair at the Havana Dry Dock Co. which they purchased in 1898. MR to Czarnikow, February 7, 1899, BBC, Ser. 2.



Second, he offered K & P the opportunity of erecting a sugar factory capable of grinding not less than 75,000 and up to 100,000 arrobas of cane per day. K & P was to furnish all necessary materials including one Krejewski *desfibradora* (shredder), two grinding mills, defacators, tanks, vacuum pans, triple affects, centrifugals, sugar wagons, pumps, boilers, and an iron frame building to contain all the machinery and apparatus. "In fact, all the machinery necessary to receive the cane from the conductor and turn out the sugar at the other end into bags, at the lowest possible cost, having all the modern machinery and appliances." All the machinery was to be "of the most modern pattern, with all the new improvements, in order to make the sugar as cheaply as possible." In addition K & P were to furnish a cooling tower so enough water would be available to avoid the reuse of water and an electric plant for lighting the sugar house, dwelling houses, the railway sheds and platforms, the scales and outdoor lights for the *batey*. "The company [Francisco]," he added with resounding simplicity, "to furnish only the cane." Could he have known at that moment the awesome difficulties of furnishing the cane? One doubts it.

The financing of this rather daunting project was complex but worth examining, for it reveals the extent to which the manufacturers of sugar-making machinery were obligated at this time to supply venture capital, thus sharing in the risks of a new enterprise and occasionally losing substantial investments.<sup>33</sup>

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33 If such concerns as K & P had failed to offer contracts of this type, in effect becoming partners in venture capital companies, they would have sold little machinery. The Cuban planter class lacked the resources and access to credit necessary to modernize the

The total price of the mill and all accouterments was to be \$500,000 in "American gold." Payments were to be completed within ten years from the day the factory began producing. As no initial cash payment was to be made (without backing, Rionda simply did not have enough capital at that point for even a down payment), K & P was to have 20% of all sugars "either of first, second, or third production" delivered in New York free with the understanding that this 20% was to be reduced in the same proportion as payments were made against the cost of the machinery.<sup>34</sup>

There was to be no penalty for early payment within five years, and K & P was responsible for maintaining the machinery for the full 10 years even if an early payoff was made. K & P could name the head engineer and was to pay his salary; the company was to name the sugar master and the second and third engineers. Their salaries were to be paid by the company as well as the wages of the common laborers. If any of the men proved to be unsatisfactory to either party, new ones were to be hired.

The company committed itself to the guaranteed production of eight million *arrobas* of "cane standing" by the thirty-first of December 1901. All machinery was to be erected and ready to work

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centrales, far less construct new ones, and excepting Spanish capital, foreign capital was only just beginning to become significantly involved--in fact, one of the reasons this contract is of interest is that neither side had had much experience negotiating in the new day that was dawning for the Cuban sugar industry.

34 In mid February Rionda complained that the deal with K & P closed practically on their own terms. "I have met them in the best spirit right through all our interviews. I fully realize that 20% of the sugar to them is too much but then my main object is to improve that property and that is why I have acceded to their terms." and later, "If a second estate is built, which is not at all unlikely, then my terms will be changed."

by the fifteenth of that month. The company further agreed to have sufficient cane to make 50,000 bags of sugar at 300 pounds each by the end of December and if it failed in this it would forfeit 3300 acres of land nearest the factory which would include all the land planted to cane. If such forfeiture was necessary, as protection for the colonos of the estate, the cane on the 3300 acres would still belong to the planters who seeded it and K & P would be bound to honor the same contract as had been made with the company. This last contract included free use of the land to the colonos with the company buying the cane at \$2.00 per 100 arrobas.<sup>35</sup>

Manuel would have his new sugar estate regardless of the means; without backers he would use his good name to secure the cooperation of the mill manufacturers to ease incrementally into production as resources allowed--but with backers the sky was the limit, and he worked tirelessly to secure the investment capital he needed to forge ahead full steam with the Francisco.

The most obvious source of capital was Czarnikow, MacDougall and Company. Czarnikow underwrote Rionda in all his sugar trading

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<sup>35</sup> Other provisions of this letter of understanding were as follows: any buildings on the 3300 acres were to remain the property of the original owners, the company was to drill a well with sufficient water to start the boilers, but K&P was to provide the water thereafter, K&P was to send a man to examine the lands and the wharf, and the company was to repair the wharf. The price for the machinery was to include freight, duties, carting, and erection, and the company was to cede 50 acres with buildings to be turned back to the company when the debt was settled. The reason for this last was that the machinery was to be owned by K&P until payoff and so the land upon which it stood should also be owned by K&P (Alfred Pesant related to Rionda that on one occasion K&P had erected machinery on a remote estate in Cuba and the estate failed. The owners subsequently refused to allow K&P access to their lands in order to repossess the machinery). A second version of this letter of understanding fines K&P \$500 per day for each day the machinery is inoperable after November 30, 1901 up to a limit of \$50,000.

and largely depended on Manuel for direction regarding Cuban sugar investments. As one of the world's largest sugar merchants the London firm's capital was for practical purposes inexhaustible. Rionda lost no time in sending his proposition to K & P to London. On February 4th he wrote to his Havana lawyer, Manuel Rafael Angulo, that "London has finally wired us as to the propositions."<sup>36</sup> Manuel insists, however, on the right to name the manufacturer [K & P] whose price, he believes, "is as low as anyone's." But no agreement could be reached with Czarnikow, though it was years before Manuel finally gave up trying.

Negotiations continued with Alfred Pesant. There was much haggling over the penalty clauses but a confident Rionda wrote his trusted brother-in-law, Joe Clarke, "With such figures as are on the other side do we run any risk in giving even 500 caballerías--you see all is guaranteed--cost of production and cost of cane so there can't be any great differences come up to absorb the enormous profits."<sup>37</sup>

The basis upon which Manuel hoped to make money with his new venture is revealed by his informal figuring below:

8 million arrobas(@) of cane yields 720,000 @ of sugar = 1.8  
million pounds

The lowest conceivable New York price = 2 cents at the  
shipping point which would give \$360,000.

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36 MR to M.R. Angelo, February 4, 1899, BBC, Ser. 2. At that time London was willing to put \$50,000 on the Cuban-American and \$170,000 on the Francisco. MR to J.F. Craig, May 31, 1899.

37 MR to Joe Clark, February 4, 1899, BBC, Ser. 2.

|  |                 |
|--|-----------------|
| machinery 20%  | -72,000         |
| cost of cane at \$2.00 per 100   | <u>-160,000</u> |
|  | \$128,000       |
| cost of making 1.8 million pounds of<br>sugar guaranteed to be no more than<br>20 cents per 100 pounds | -\$36,000       |
|  | \$92,000        |
| salaries   | <u>-12,000</u>  |
| net profit in year 1=  | \$ 80,000       |

On the above basis projected costs and returns over a six year period yielded and total profit of \$912,000! <sup>38</sup>

Salvador Fluriach pressed Rionda to conclude a contract for clearing, burning, and planting 70 *caballerías*, but Rionda told him that as he had not reached a firm agreement with Pesant, he could not commit himself. But he assured Fluriach that the matter was still under consideration and that Pesant and an associate were leaving for Cuba in a few days to inspect the property. He asked Fluriach to make all the arrangements for their visit which included hiring a coastal barque to take them from Santa Cruz del Sur to Guayabal. Also accompanying them would be Manuel's brother-in-law, Pedro Alonso of Sancti Spiritus.<sup>39</sup>

Rionda arranged for a local man by the name of Ramos to meet the barque with horses. Manuel was anxious that the party see everything and come away as impressed with the possibilities of the land as he himself had been on his first visit a month earlier.

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<sup>38</sup> BBC, Ser. 2., Letterbook 4, p.114 (reverse side) This amount in 1993 dollars would equal approximately \$10 million. Note that eight million arrobas of cane equals 920,000 tons. Francisco failed to achieve this level of production until 1904.

<sup>39</sup> MR to S. Fluriach, February 4, 1899, BBC, Ser. 2.

"Take them to see the forests--the great trees . . . I want them to get a good impression--the wharf is being repaired and [they] will understand that it is possible to have steam ships which draw twenty-five feet."<sup>40</sup>

In the early period of struggle with the Francisco, Salvador Fluriach proved to be extremely troublesome to Manuel Rionda. A well-to-do Spaniard (even Rionda once described him as "rich"), Fluriach controlled much of the land and commerce in the neighborhood of Santa Cruz del Sur and along the coast east toward Manzanillo. His holdings included both small sugar *fincas* and apparently extensive cattle lands. Yet one suspects that Fluriach yearned for yet greater wealth and influence; indications are that he wished to be regarded on the level of men like Rionda, who, while perhaps not fabulously rich themselves, were linked with the real wealth, i.e.. North American and European capital. And Fluriach, unbeknownst to Rionda, wanted his own sugar estate with his own *central*.

The problem lay in the fact that Fluriach held a small mortgage on the Guayabal property, and in addition, had negotiated with Pancho the right to cut cedar and mahogany off the land. Initially Rionda welcomed Fluriach's presence as he saw him as an influential man in the region who could do much to pave the way for the establishment of the new estate. As noted earlier, he immediately began negotiations with him over a colono's contract; he could not, however, permit the continuance of any outstanding mortgages on the property as that would have deterred potential investors. Thus

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<sup>40</sup> *Ibid.* Translation: "Conviene vean los montes -- los árboles grandes . . . . Yo quiero que vengan bien impresionados -- Se tendrá que arreglar el muelle y entenderlo hasta que puedan hacer vapores calando 25 pies."

he offered Fluriach stock in his new venture in exchange for satisfaction of the mortgage. Fluriach, realizing that he had more leverage with the mortgage, took years to come to an agreement.

Immediately upon deciding to move ahead with his plans for the Guayabal lands, Rionda realized that he would need to form not one but two companies: the first to act as a holding company for all the property and the second to function as the working *Central* with its surrounding cane fields. The holding company was eventually to be called the Cuban-American Sugar & Land Co. and was to sell to the Francisco Sugar Co. five hundred caballerías for \$100,000 worth of stock in the latter.<sup>41</sup> Initially all the actual value of the total

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41 Not to be confused with R.B. Hawley's Cuban-American Sugar Co. founded in the same year. Originally the holding company was to be called the American-Cuban Timber and Sugar Land & Improvement Co. MR to Krejewsky & Pesant, February 4, 1899, BBC, Ser. II. This letter takes the form of a second letter of understanding in which the property boundaries are roughly described and various contractual clauses are listed. Although no agreement was ever reached with K & P, a listing of selected clauses reveals Rionda's image of what Francisco was to become, most of which did, in fact, come to pass. The company was

- A. to have by December 1901 sufficient cane for grinding to make not less than 50,000 bags of sugar fo 300# including 1st, 2nd, and 3rd production, baring accidents, storm, war, or fire in the canefields.
- B. to repair the wharf and extend it to allow for ships of 20 foot draft.
- C. to construct a standard guage railway from the pier to the factory, the latter to be located by K & P but to be not more than two miles north of the sea.
- D. to furnish three or four railway cars.
- E. to transport the machinery to the mill site.
- F. to provide poles and wires for a trolley line from the pier to the factory.
- G. to construct lodgings for labor and materials.
- J. to supply all "peones" (laborers) for putting up buildings and placing machinery but wages to be paid by K & P.
- M. to allow K & P the use of an engine to drive piles with enough power to lift a 1000# hammer.

K & P's responsibilities were similiar to the original letter cited earlier. Perhaps the greatest sticking point was the stipulation that the sugars would not cost more than X amount per bag to produce. This amount varied with the several contracts drawn in the

enterprise in the form of capital investment was to be placed in the Cuban-American whereas the Francisco's worth lay in its potential; that is, at first, before improvements were made, the Francisco's indebtedness was about equal to the value of the raw land which it owned.

Rionda planned to capitalize the American-Cuban at \$150,000. Immediately he sought to raise this amount by writing once again to Czarnikow. This time he was more definite in his appeal; he explained the arrangement between his late brother's estate and the proposed American-Cuban Timber and Sugar Land & Improvement Company whereby the "42 to 46,000 acre tract" would be transferred to the American-Cuban in exchange for stock (the exact amount of land being unknown ". . . as the extension of the Hacienda Hato Viejo has never been ascertained to a point." He explained that he visited the lands on his last trip to Cuba ". . . and from all I could gather and from what I saw on the spot, I believe they are thoroughly good lands for the cultivation of sugarcane."<sup>42</sup>

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following year ranging between 20 cents to 40 cents per 100 pounds sugar. This type of cost of production guarantee was apparently standard in contracts of this type. The letterbooks show various penciled-in changes and it is of some interest that, Manuel changed his initial 20 cents to 30 cents making a difference of \$15,000 in the first year (from \$30,000 to \$45,000) or from 1/5 cent per pound of sugar to 3/10 cent per pound, a substantial change. Rionda was either ignorant of the cost of production or was starting off with an unrealistically low figure in order to gain bargaining leverage.

Another important clause stipulated that K & P was to guarantee the average yield of sugar the first three years to be not less than 9 1/2 percent (later changed to 7 1/2 percent) of firsts and 1 percent of seconds, any change to be subtracted from K & P's 20 percent share of sugars.

42 MR to Czarnikow, February 7, 1899, BBC, Ser. 2.



The terms between the American-Cuban and the Francisco were to be as follows: the former to sell the latter 16,000 acres, taking payment in \$130,000 of capital stock in the Francisco, thus giving assets to the American-Cuban of that amount of stock plus 26/30,000 acres of land. The American-Cuban would issue stock for \$300,000, \$50,000 of which would be sold at par, the balance retained by the Estate of Francisco Rionda. Thus, Rionda emphasized, as the Guayabal lands were developed, the American-Cuban stock would increase in value. After all, if Krejewski Pesant approved the lands, they had to be suitable (in fact, Alfred Pesant was far from agreeing to Rionda's plans, though he had agreed to inspect the Guayabal property).

Rionda assured Czarkikow that everything was taken care of: ". . . a very responsible party in Santa Cruz. . .", Salvador Fluriach, will plant about 3,000 acres for \$95,000 guaranteeing to have the cane ready so as to comply with the K & P contract, the \$95,000 to be paid in increments as the work progresses.<sup>43</sup> Rionda stresses his conservative planning saying ". . . it seems to me there is absolutely nothing left uncovered."

The cost of the improvements (planting the cane, extending the pier, and erecting the buildings) was to be covered by the issuing of \$300,000 in capital stock at par. To sweeten the deal for Czarnikow, Rionda stated that the majority of the stockholders would name the consignees of the sugar for the first five years at 1 1/2% commission,

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<sup>43</sup> The terms were 20 percent with the clearing of the land, 30 percent on completion of clearing, 30 percent when planting was done, and 20 percent when the weeding of cane began.

a relatively high commission which Czarnikow would be assured of receiving were he to become an investor. Rionda concludes by asking if all or part of the \$170,000 in stock of the Francisco Sugar Co. could be placed in London.<sup>44</sup>

Though London remained silent, Manuel was ever ebullient. He wrote to Clark that he had already interested friends who would subscribe to the balance of the money needed for planting cane, constructing the railway, buildings, etc. In fact, Rionda himself had already deposited one-thousand dollars in Spanish gold (possibly advanced to him from his late brother's estate) in his brother-in-law Pedro's account to pay Salvador Fluriach for beginning the work of clearing and planting.

Manuel was a master at showing utter confidence in his schemes, but he sacrificed pride by playing dumb when it served his interests. "About capitalizing the company--that is one of the points about which I am entirely at sea. I don't know how to do it." he tells the Philadelphia sugar financier James F. Craig. He asked Craig to give him "light as to how to present the financial part of the matter." His hope, of course, was that Craig would give him more than "light," for he knew that Craig represented the inside track in the William J. McCahan & Co. sugar refinery. "I hope," he supplicated, "to place some stock in Philadelphia."<sup>45</sup>

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44 This \$170,000 is derived from subtracting the \$130,000 worth of stock subscribed to by the Cuban-American from the \$300,000 total stock issued. See also the prospectus of the Francisco Sugar Co. Rionda sent Czarnikow: Appendix A.

45 MR to J.F. Craig, April 18, 1899, BBC, Ser. 2.

By March of 1899, only four months after his brother's death, Manuel had organized a temporary Board of Directors of the Francisco Sugar Company. The first meeting of the incorporators took place on March 1st at 243-45 Washington Street, Jersey City, the tax and incorporation laws of New Jersey being friendlier to business than those of New York.<sup>46</sup> Present were Rionda, George H. Atkinson, Manuel's nephew's father-in-law and who had offered his Jersey City offices to the company for such occasions, and Manuel's brother-in-law, Joseph I.C. Clarke. There they elected a three member board composed of Atkinson (serving pro-forma), MacDougal and Rionda. The new Board adopted the standard by-laws, resolved to maintain offices in the state of New Jersey, appointed an official agent of the company with residency in New Jersey, and agreed to serve without pay.<sup>47</sup> As the company was still more form than substance they did not find it necessary to meet again for nearly a year.

Initially Rionda had thought that \$300,000 would be sufficient capitalization for Francisco, but he had not counted on having to make high payments to sugar machinery manufacturers. Both J.F. Craig and W.J. McCahan early on urged Rionda to increase this amount to at least \$700,000.<sup>48</sup> Where was the money to come from? Both North American and European investors were extremely wary

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46 Minute Books of the Francisco Sugar Company, Minutes of the Board of Directors, 1899-1918 and the Executive Committee, 1908-1926, BBC, Ser. 90, Minute Book 1.

47 One Charles N. King who served in that capacity until his death in 1916. BBC, Ser. 90, Minute Book 1.

48 MR to J.F. Craig, April 21, 1899, BBC, Ser. 2.

of Cuba; the extensive destruction of sugar estates during the war coupled with the continuing uncertainty of Cuba's status had, at least for the time being, established Cuba as the *bête noir* for world sugar capitalists.

For Manuel Rionda the ultimate fix for Cuban instability was annexation by the United States, an idea that had waxed and waned throughout the nineteenth century, but which experienced a renaissance at the conclusion of the war among some sectors of the bourgeois class in Cuba (including the old planter class) and among many US capitalists as well.<sup>49</sup> In February, his hopes buoyed perhaps by the sensationalist press, he wrote to his friend Juan Clark, "I am glad to see that the Cubans are coming to their senses and realize that annexation is the only salvation for Cuba."<sup>50</sup> One suspects that he felt that annexation was his own salvation as well, but come what might in Cuba, Manuel glimpsed his immediate savior in Philadelphia.<sup>51</sup>

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49 For one interpretation of which classes were annexationist and why see Louis A. Pérez, Jr., Cuba and the United States: Ties of Singular Intimacy. Athens, Georgia: Univesity of Georgia Press, 1990.

50 MR to Juan Clark, February 21, 1899, BBC, Ser. 2. He gave vent to a fuller expression of his views in a letter to Demetrio Pérez de la Riva, April, 7, 1899 in which he stated that the advantages of annexation were recognized by ". . . all men of impartiality and reason." Cuba, he believed was doomed, otherwise, to the fate of "various Central and South American countries and Haiti and Santo Domingo ("...para no mencionar siempre..."), countries which are seemingly independent, ". . . but are always the victims of petty tyrants. . .", and lack the confidence and credit among European nations, nor are they involved in the exploitation of riches, ". . . y allí se están muy libres y muy atrasados y muy pobres y muy infelices." (trans: ". . . and there they are very free and very backward, and very poor and very unhappy.")

51 Rionda hoped "to still find large subscribers in Philadelphia. MR To J.M. Craig, April 21, 1899, BBC, Ser. 2.

In response to continuing overtures in that direction, Craig wrote Rionda that he thought McCahan was too old to enter into a new business; Rionda's characteristic reply was that McCahan is ". . . stronger today than he ever was, and I think and hope, that he, you and I, will live many years and see many such sugar estates as the proposed development in Cuba."--and scrawled in his flamboyant longhand across the typed page he exclaims, "Who talks of dying! -- or old age!"<sup>52</sup>

Investors were chary, however, and Rionda had his work cut out for him. In Havana relations between the aging Commander in Chief of Cuba's angry army, Máximo Gómez, and the Cuban National Assembly were at their nadir. Gómez had worked out a compromise with General John R. Brooke, head of the military government, regarding the veterans pay of three million dollars which the Assembly refused to accept. Riots broke out in Havana, and the capital remained tense throughout the month of March. The sugar world cringed with the news; traders ceased to make advances against Cuban sugar crops and worse still, Rionda complains, "The disturbances in Havana lately have had a very bad effect on capitalists here and in London, who were on the verge of investing money in Cuba, but now, seeing that no sooner the American troops commence to leave Cuba than there are rows in Havana, everybody is very much afraid. That will hurt Cuba more than anything else."<sup>53</sup>

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<sup>52</sup> *Ibid.*

<sup>53</sup> MR to Juan Clark, March 13, 1899, BBC, Ser. 2.

Meanwhile things were not going well with the K & P negotiations either. Manuel wrote his friend, Juan Clark, K & P's Havana agent, "Last Thursday we had a very stormy interview, as Mr. Pesant will tell you, and were it not that I would not care to start the business all over with some other people, I would have thrown the whole thing up." Yet still Manuel expected the contract to be signed within a week.<sup>54</sup> On the third of May, some two weeks later, the contract was still not signed. In fact, the deal was being 'queered' by Gaston A. Bronder, Pesant's lawyer.<sup>55</sup> He sent Manuel a document which, much to Manuel's disgust, was some fifty pages long. "It may be well drawn up," he complains, "but I don't want many such contracts. Life is too short for that."<sup>56</sup> Still haggling a week later Rionda writes Pesant that because of some of the new clauses in the contract, some of his financial support is withdrawing. Perhaps what he meant to say, was potential financial support.

Rionda's next tactic is to try to raise at least \$200,000 in paid up stock subscriptions in order to give him more leverage with Pesant.<sup>57</sup> With the Francisco shouldering more of the financial burden, Rionda could then hold Pesant's feet to the fire on other critical commitments such as the guaranteed cost of production

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54 MR to Juan Clark, April 21, 1899, BBC, Ser. 2.

55 There are good grounds for speculation that Bronder was stalling at the direction of Pesant who was more interested in obtaining stock subscriptions from Rionda's House to his new project, the Havana Dry Dock Co., than to work out a closely figured deal on sugar machinery.

56 MR to Juan Clark, May 3, 1899, BBC, Ser. 2.

57 MR to J.F. Craig, May 12, 1899, BBC, Ser. 2.

clause. With this scheme in mind, Rionda wanted to know how much McCahan would subscribe for if \$400,000 were taken up.

In mid May Manuel received new encouragement with the news that H.O. Havermeyer had bought out two Cuban estates. Czarnikow was about to advance \$125,000 on one of these, Lugareño, a Nuevitas estate owned by Melchor Bernal.<sup>58</sup> Havermeyer's faith in the stability of Cuba represented a rock-solid endorsement in the eyes of the world financial community--one that could not have been equaled even by Czarnikow. Immediately Rionda wrote to all his friends and/or potential investors in order to make certain that they fully appreciated the import of the Havermeyer investments.<sup>59</sup>

The K & P deal dragged on. Once again the entire contract was renegotiated, now giving Pesant the right of foreclosure and obligating the Francisco to payment of half of the \$500,000 in cash and half in bonds at six percent over twenty years. The total issue was to be \$750,000 of which K & P would receive \$250,000 in cash at one time. By virtue of having discounted the price of the machinery, K & P would no longer be obligated to maintain it or pay the engineer's salary. Rionda presented this proposal to Craig to be passed on to McCahan who would now, according to this new proposition, buy bonds rather than stock.<sup>60</sup>

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58 MR to J.F. Craig, May 15, 1899, BBC, Ser. 2. The other estate bought out by Havermeyer was San Manuel.

59 In writing to prospects, Rionda would often top-off his pitch with such remarks as, "Annexation is gaining ground in Cuba daily." MR to W.B. Willson, May 1, 1899, BBC, Ser.2.

60 MR to J.F. Craig, May 16, 1899, BBC, Ser. 2.

Rionda described virtually the same method of capitalization to another potential investor, but broke it down into components.<sup>61</sup> Craig, however, rejected this plan altogether, as did the potential investor.<sup>62</sup>

At this point Rionda was working frenetically night and day to secure the capital he now realized he had to have to make the thing go. A few of his contacts expressed some interest, particularly W.B. Willson in Baltimore, but on the whole Manuel was energized by his own indomitable optimism.<sup>63</sup> London, he thought, still seemed likely to come through in the end, and B.H. Howell, the giant Philadelphia commission agent, was described as being "on the fence."<sup>64</sup> On May 23rd Rionda received Craig's personal subscription for \$5,000, but

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61 Though this deal was rejected, the breakdown by components roughly reveals the parameters with which the negotiators were working \$800,000 in capital, 5%, 20 year gold bonds, the company's liabilities to be as follows:

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| \$250,000 | half payment for machinery.                             |
| 100,000   | payment to Cuban-American for land.                     |
| 450,000   | sale of stock for cash at par.                          |
| 70,000    | expenses for clearing and planting 2,000 acres of cane. |
| 30,000    | to construct 4 1/2 miles of railroad.                   |
| 100,000   | for buildings, railway rolling stock, and oxen.         |

The bonds were to be scheduled for delivery between 1902 and 1905, company earnings to presumably make up for the deficit created by the initial capital improvements. MR to Frazier, May 16, 1899, BBC, Ser. 2.

62 MR to J.F.Craig, May 17, 1899, BBC, Ser. 2. This is the earliest mention in the record of a telephone conversation.

63 Typical is his letter to Julius A. Stursberg of May 23, 1899 in which he describes the Guayabal lands as "first class sugar lands which can produce 33 tons to the acre: sugar can be produced at this Estate at 1 1/2¢ c.i.f. U.S."

64 MR to J.F. Craig, May 20, 1899, BBC, Ser. 2.



there was still nothing from Czarnikow, and Manuel had to admit that "London does not seem to warm up to the Francisco," and then ruefully added that he would like nothing better than to sell Francisco's sugar to someone other than Czarnikow.<sup>65</sup>

By the end of May Rionda had found out what the trouble was in London. Accusing the London office of wanting "to play with the Francisco Sugar Company because it is sort of a 'home affair,'" he reveals that someone in company headquarters took it upon himself to search the past records and found that Pancho had been willing to sell a quarter interest for \$30,000 ". . . back to the times when Cuba's future looked black and Pancho being sick and discouraged, was a willing seller. . . ." "This," says Manuel, "seemed to cool London's ardor. They don't seem to be able to raise their eyes beyond the fact that they missed that chance."<sup>66</sup>

Realizing now that Czarnikow and perhaps other investors would not come through until it was shown that the Estate could actually produce high quality sugar in quantity, the resilient and versatile Rionda took yet another tack; he asked only for that amount of capital required to complete the planting, expressing a willingness to postpone the purchase of the machinery "by which time Cuba's future will be better known."<sup>67</sup> Rionda reasoned that if he could clear

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65 MR to J.F. Craig, May 23, 1899, BBC, Ser. 2.

66 MR to J.F. Craig, May 31, 1899, BBC, Ser. 2.

67 Rionda estimated that he needed \$50/60,000 for the clearing and planting of the first 16,000 acres. From this total was allocated \$25,000 for the clearing, \$2,000 for repairs on the wharf, \$8,000 for the purchase of oxen, which he explained he needed to buy immediately to allow them time to acimatize to their new environment, \$5,000 for construction of rudimentary shelters for the workers, and \$2,000 for the building of the

and prepare 1600 acres for planting by the end of the year, no time would have been lost relative to the original schedule, which called for the first cane to be ground in the 1900/01 zafra. Time was of the essence for Manuel, first, because slow progress would risk perturbing anxious investors and second because Manuel was convinced that the precise moment to launch sugar estates in eastern Cuba was at hand and the delay of a year or two could, in the long-term, mean a loss of profits.

The situation in Cuba, however, remained precarious. It seemed to Rionda that the obdurate Cubans were determined to act against their own interest; for Rionda, what was good for the sugar trade was good for Cuba. As more discouraging news was wired from the Island, Rionda reiterated more palliatives:

“The reports from Cuba about the Cubans taking up arms against the Americans again, have put off some of our friends the last week or so. It is very difficult to make people understand that whatever the Cubans may do, they cannot do anything against the Americans. It is true they may rise and have a few skirmishes, but the end will come soon. The more trouble they give, the quicker annexation will come, in my opinion, but at the same time, people with money and having such a sad recollection of how Cuban property was destroyed in the late war, are very shy of putting money in the Island.”<sup>68</sup>

Despite the disquietude of some investors, McCahan was inexorably moving toward greater involvement with the Francisco. On June 2 Rionda finally received some good news--Philadelphia would invest the money needed for clearing and planting the 16,000 acres which Manuel felt was all that was needed to convince the

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carretas, plus \$8,000 as a cushion for unexpected expenses of which there were many in Cuba.

68 MR to Alfred Pesant, June 2, 1899, BBC, Ser. 2.

hesitant that his was a good prospect.<sup>69</sup> In exchange for his \$50,000 investment, McCahan would take one-fourth interest in the Cuban-American lands.<sup>70</sup> In his letter of thanks to Craig he exclaims in proprietary tones, "Cuba's future cannot be delayed longer than 1902. In three years we must have the island in such shape as to make all property in Cuba, specially sugar estates and good sugar lands, very attractive to the investors."<sup>71</sup>

One of the many obstacles to investment in Cuba was the matter of land titles. The colonial *hato* system which described properties in circles from a fixed center point, many of which overlapped, had created an owner's hell and a lawyer's paradise.<sup>72</sup> To further complicate this legal labyrinth was the *censos*. While there were boundary disputes involving the Guayabal lands, the Francisco's property, being more or less surrounded by the Cuban-American lands, was relatively free of that difficulty, but not of that of the *censos*. Allow Rionda himself to explain how there came to be a \$22,000 Spanish gold annuity at 5% constituting a lien on the

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69 "Philadelphia comes up with good cheer for me! Your yesterday's letter to me more than I anticipated for certainly shows the good friendship held out to me by Mr. McCahan and by you . . . [I] feel grateful and . . . wish to express to you and to Mr. McCahan my sincere thanks--I am now sure that we cannot lose any time in planting." MR to J.F. Craig, June 3, 1899, BBC, Ser. 2.

70 J.F. Craig to MR, June 2, 1899, BBC, Ser. 1.

71 *Ibid.*

72 For a discussion of the *hato* system see Laird W Bergad, Cuban Rural Society in the Nineteenth Century: The Social and Economic History of Monoculture in Matanzas. Princeton, N.J., Princeton University Press, 1990. Lowry Nelson devotes his seventh chapter to the history of land divisions in Cuba: Rural Cuba, pp. 107-13, as does Pérez, with an emphasis on the peculiarities of eastern Cuba in his Lords of the Mountain.

property to his capitalist (but Irish) friends in Philadelphia: “. . . some people in old times, fearing their souls would have punishment in the future life, wished to secure some good church or convent to say a certain number of masses for them.” Such persons would take out an annuity on a church or convent, he explains, the principal being unredeemable, but so long as the interest was being paid, the masses had to be said. “All over Cuba you find this ‘censos’ pending on properties.”<sup>73</sup>

It was Manuel’s idea to trade a house, a part of Francisco’s estate located in Puerto Príncipe, plus some cash for the *censos*. “You have no idea how much trouble it gives to get any property in Cuba cleared of old ‘censos.’” This is a matter that he assures Craig he wishes to expedite, “. . . but the Cuban end I cannot hurry.”<sup>74</sup>

Within the month, however, there not yet having been any action taken regarding the *censos*, Rionda railed “Those confounded lawyers in Cuba are very slow. . . , and the representatives of the convents “have too high ideas of what the censos are worth . . . .”<sup>75</sup> Unfortunately for Rionda, the Mother Superior of the convent was soon to get wind of the development going on at Guyabal, thus further inflating the cost of clearing the *censos*. By Fall, Rionda was to give up on the idea of buying out the *censos* and decided to allow it to remain as a lien, paying the \$500 a year interest. The convent

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73 MR to J.F. Craig, June 3, 1899, BBC, Ser. 2. In 1907 it became necessary to do a complete title search which revealed even more uncertainties relating to the hacienda comunera and pesos de posesión. See Chapter V below.

74 *Ibid.*

75 MR to J.F. Craig, June 30, 1899, BBC, Ser. 2.

could not do anything with the annuity and Rionda expected the laws to change what he regarded as an antiquated tradition anyway.<sup>76</sup>

Throughout the summer of 1899 Manuel busied himself with the myriad of details pertaining to the on-going planting, clearing, and construction at Guayabal. He had noticed that Pesant had seemed to become progressively less interested in concluding the negotiations, which had already dragged on for six months. True, he had continually reassured Rionda that it was only because the lawyers were out of town that the contract was not signed as it stood, but not until September did Pesant return the contract, and with much different terms which were totally unacceptable to the Francisco's investors.

Some two months earlier McCahan had finally been persuaded by Pesant to subscribe to \$25,000 worth of stock in K & P's recent acquisition, the Havana Dry Dock Company. Rionda likely had a part in persuading him as Pesant had implied that the Francisco deal would go smoother if McCahan would subscribe. Now that the money and stocks had been transferred, Pesant had no need to play along with Rionda. Manuel's response was that he did not wish to have any more to do with a party for whom a verbal agreement was not as binding as a written one.

This may be business like with machinery people but it is not with us sugar people, and rather than have any question with Mr. Pesant I have released him from all his moral and legal obligations to me or the company, and told him that I wanted to consider the matter as though we had never met.<sup>77</sup>

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76 MR to J.F. Craig, October 13, 1899, BBC, Ser. 2.

77 MR to Juan Clark, September 6, 1899, Ser. 2.

Quite undeterred by this rancor, Manuel wrote Craig "If we succeed in getting started and growing up, I have no doubt we will meet with great success there. There are many schemes like ours going on but nobody has started to plant the cane as we have."<sup>78</sup>

Perhaps Manuel's inveterate optimism was contagious, or maybe the old man was beginning to like the irrepressible Rionda, or then again perhaps McCahan decided he had better maintain a closer watch on the \$100,000 plus he had by now invested in the Francisco Sugar Company. In any case, in October McCahan agreed to become a Director of the Francisco. Rionda, meanwhile, was making plans to set off on another inspection trip to Cuba. He was anxious for Craig to go along but his friend declined. Manuel was deeply disappointed, saying that he needed the judgment of those involved, especially McCahan and his personal representative, Craig--"like a man who has had his calculations checked by someone."<sup>79</sup> Indeed, Rionda was playing fast and loose. After all, the Guayabal property had still not been legally transferred to the Cuban-American, nor had the first stock certificate been issued. Manuel was riding on his reputation; he had staked everything on the bet that the Guayabal property was first-rate sugar land, for with a capital indebtedness approaching three-quarter of a million dollars it had to be.

Rionda left for his annual pre-zafra trip to Cuba on November 4. He spent the usual week or so in Havana seeing his friends in the

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78 MR to J. F. Craig, September 14, 1899, BBC, Ser. 2.

79 "The transaction may turn out unprofitable," he added, " but the clerk made no mistake. Much better than if the loss came from a careless mistake!" MR to J.F. Craig, October 20, 1899, BBC, Ser. 2.

sugar business, such as Julio Rabel, Juan Clark, and others, proceeding from there eastward through the Island to Mantanzas and then Tuinucu. Eventually he visited the Francisco where he surveyed the progress in clearing and planting cane. All in all he seemed satisfied with what he found there and the new century found him in New York on January 2, having returned by way of Tampa.<sup>80</sup>

On Saint Valentine's day 1900 Rionda met with George Atkinson at his Wall Street office to hold the Francisco Sugar Company's second Board meeting. As is customary in such matters, all had been arranged in advance. The company's authorized capital was set at \$750,000, the Board was increased from three to five members to include William J. McCahan, John F. Craig, Joseph I.C. Clarke, Manuel Rionda and T.M. Simister, a corporate attorney. McCahan was elected President, Rionda, Vice President, and Clarke, Secretary. Aside from the election of a new Board, the other principal business of the meeting was to pass a resolution officially authorizing the purchase of the land from the Cuban-American Sugar and Land Company.<sup>81</sup> The Board also appointed an attorney in Cuba, Rionda's friend and counsel, Andrés Angulo, giving him power of attorney in Cuba and appointed him official company agent ". . . as required by

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80 Unfortunately we have no direct documentation of Rionda's activities during his annual sojourns to Cuba for the earlier years.

81 The resolution and preamble pertaining to that transaction is found in Appendix 3. Minute Books of the Francisco Sugar Company, BBC, Record Group IV, Ser. 90, Minute Book No.1.

the technicalities of the law now observed in Cuba.” Thereafter Board meetings were held often and were well attended.<sup>82</sup>

“We are now ready to bend our energies to the disposal of shares.” wrote an eager Rionda.<sup>83</sup> By the end of April all the Cuban-American stock had been issued. McCahan, Booth, Craig and MacDougal were all large shareholders but nearly half the stock was in Rionda’s name. Though actually subscribed for by various members of his family, he retained the voting rights on all his family’s certificates. He assured Philadelphia that there would be no transfers without first consulting with McCahan “so the voting power of this stock will always be lodged with me.”<sup>84</sup> The financial stability of the Cuban-American thus assured, the Francisco found itself on somewhat firmer ground. What was still needed to go ahead with the purchase of the machinery and the other necessary improvements, however, was a massive injection of cash into the Francisco Sugar Company itself. “If London fails,” Rionda wondered ingeniously in a letter to McCahan, “where will the money come from for planting?”<sup>85</sup>

McCahan’s somewhat vague suggestion was that the company borrow the \$20,000 to \$25,000 needed to continue with the clearing and planting until January, 1901. Perhaps that was not precisely what Manuel wanted to hear, but nevertheless he told Craig with his

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82 A further shuffling of the Board occurred at the following meeting: Simister and Clarke resigned to be replaced by MacDougall and Henry P. Booth. Board of Directors Meeting, April 25, 1900, BBC, Ser. 90, Minute Book 1.

83 MR to J.F. Craig, March 22, 1900, BBC, Ser. 2.

84 MR. to J.F. Craig, April 26, 1900, BBC, Ser. 2.

85 MR to W.J. McCahan, May 8, 1900, BBC, Ser. 2.



characteristic Spanish charm, "The plan suggested by Mr. McCahan . . . smiles on me . . . ;" thus Rionda planned to ask the Board to borrow \$40,000 for expenses. "Once we know positively that the cane grows and is actually growing, everyone will feel more disposed to go on with the enterprise."<sup>86</sup>

Of course, it was not only a matter of the cane growing, but also of stabilizing Cuba by fixing her status and thus preparing the ground for North American capital. Rionda, ever alert to the least change in the wind regarding these delicate matters, related that his friends in Washington (Luis Placé chief among them) told him that the McKinley administration, after the elections, "plans to give the Cubans a chance of having their idolized independence." "That, in my opinion," stated Rionda, "will soon be followed by disturbances: then the Americans will step in and thus overcome the resolution passed by Congress . . . ."<sup>87</sup>

Biding his time for resolutions of both the Cuban question and the matter of capital for the Francisco, Rionda went to lengths to impress Philadelphia with his conservative nature: there was no need, he preached rhetorically, to spend more than necessary to get

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86 MR to J.F. Craig, May 18, 1900, BBC, Ser. 2. Ultimately the actual amount discussed at the Board meeting was \$30,000 and the Board authorized negotiations with the Colonial Trust Company for that amount. There are indications that McCahan did not entirely approve of Colonial Trust. Consequently, the negotiations (which were successful) may have influenced McCahan's decision to become more deeply involved, thus allowing the company to immediately cancel the Colonial loan at the meeting of June 20th. Board of Directors Meeting, June 20, 1900, BBC, Ser. 90, Minute Book 1.

87 It is interesting to note that even when Manuel is predicting the worst, that very event finally results in whatever he wishes ultimately to happen. MR to J.F. Craig, May 4, 1900, BBC, Ser. 2.

the cane growing, for that "is our. . . only purpose at present."<sup>88</sup> As a harbinger of coming events, McCahan asked Rionda to "see how big" he could make his personal subscription to Francisco stock. "I Will!", Manuel responded enthusiastically.<sup>89</sup> He must have sensed that something was up.

The next day, June 15, 1900, the two year old was belatedly baptized, but it was not holy water but manna that was sprinkled on the child's brow. Rionda received a telegram from McCahan saying, "I will lend you all the money you want at 6%--Cuba or Francisco--stock collateral."<sup>90</sup> Immediately Manuel wrote Craig

Words cannot express my pleasure to see my "Francisco:" and his children's future secured--well--one cannot help thinking there is a Providence that through good people in this world looks after us--I must have much of that."<sup>91</sup>

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88 In dog-in-the-manger fashion, Rionda says, "It is better to lose one year [and] make sure of our having the cane than start up now and put ourselves in an uncomfortable position." MR to J.F. Craig, May 16, 1900, BBC, Ser. 2.

89 MR to J.F. Craig, June 14, 1900, BBC, Ser. 2.

90 W.J. McCahan, June 15, 1900, BBC, Ser. 1. McCahan was surprised that Czarnikow showed no interest in Francisco, saying "'We would like to have Mr. C with us, but if he decides not to do so, we can do without him.'" J.F. Craig to MR, June 11, 1900, BBC, Ser. 1.

91 Note the curious confusion of Francisco (his late brother Pancho) and "Francisco" the estate. The pronoun "his" would seem to indicate the brother, but dead men have no future to be secured and the name is placed in quotes as was the custom with the names of Cuban sugar estates. This is further confirmation that Manuel conceived strong emotional associations between his brother and the land at Guayabal he called "Francisco."

Six percent was about equivalent to the prevailing prime rate, or slightly higher. MR to J.F. Craig, June 15, 1900, BBC, Ser. 2. Below is the entire thank you note to McCahan:

You seem to want to make this day one of more than joy to me and mine. Your second telegram offering me all the money I want on the Francisco or Cuban at 6% has made me decide to take if necessary all the encumbered amount. I have faith in it and you give me the chance to take it and I won't let it slip by. So let us see if London comes up--if not I will allow no one else to have it. Many many thanks. Yours truly,

In his second letter of the day to McCahan, he exclaimed, "The Francisco is now a sure success."<sup>92</sup> And in the day's second letter to Craig he said, ". . . you and McCahan have made the company-- may you live to see it producing 25,000 tons of sugar." "Have cabled Coma [Francisco's manager] to plant cane even if we have to buy seed!"<sup>93</sup>

Reinvigorated now to raise even more capital, he wrote to his barrel manufacturing and molasses importing friend, Fred Allen, of Portland, Maine, "I know you participate of all my pleasures. Today I am glad to say my Francisco Sugar Company is a success. McCahan telegraphs he has subscriptions for 4545 shares say \$454,500."<sup>94</sup> Rionda had also secured an additional \$45,000 worth of subscriptions in New York to bring the total to \$499,500 and as \$550,000 were

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92 The complete quote:

I don't know but your telegram of today has unfitted me for business. I want to go out where I have room to express my satisfaction and great joy at the unanimous success. The Francisco is now a sure success. Thanks very much. I have not the slightest doubt that your 4545 [shares] and my 450 [shares] (50 more since I telegraphed) makes the balance \$55,000 as easy as pie. Mr. Post will reply soon. I thought it our duty to give London another chance. I hope you approve it--" "Have cabled Guayabal to plant even if we must sacrifice some of the oxen-- There is no looking back now.

93 MR to J.F. Craig, June 15, 1900, BBC, Ser. 2. Craig was hardly less jubilant, saying that he felt like throwing up his hands and shouting, especially as he had had his doubts as to the prospects for success given the fall in stocks, the U.S. election, and the unsettled state of affairs in Cuba. J.F. Craig to MR, June 18, 1900, BBC, Ser. 1. Three days later Craig wrote to Rionda saying ". . . the Quaker City is slow, but certainly has responded nobly on this business."

94 He concludes his letter with "Czarnikow has not yet sent his subscription -- I am sure we are O.K. I am very happy -- This means much to me and mine as you can imagine." MR to Fred Allen, June 15, 1900, BBC, Ser. 2.

offered, only \$50,500 remained to be subscribed. This was a heady day for the steadfast Asturian.<sup>95</sup>

While there is no doubt that McCahan's subscription provided just the injection of capital necessary to make the Francisco go (or perhaps even survive), there were still financial concerns to occupy Rionda's time. It was one thing to issue stock certificates and another to collect on them. The largest subscriber, McCahan, given the sums involved, paid for his stock in scheduled increments. He had subscribed for \$75,000 worth of the Cuban-American but had paid for only \$50,000 worth, all of which was immediately used to satisfy the Francisco's obligations and meet the payroll in Guayabal. Booth had subscribed for \$15,000 and paid for \$10,000, other lesser subscribers having done the same. In fact, of \$156,700 worth of issued certificates, only \$71,100 had been collected.

Rionda, however, confidently states that whereas the Cuban-American initially sold for sixty-six cents a share, what with the improvements at Francisco and the bright prospects of that sugar estate, Cuban-American shares could not be had for less than eighty cents--even to a friend.

Subscribers to the Francisco and the Cuban-American totaled twenty-nine, their shares representing \$582,500 of the total of \$600,000 in authorized capital indebtedness between the two companies. As to the Francisco stock, the Cuban-American held \$160,000 worth, the McCahan Sugar Refining Company held \$60,000 worth, and McCahan held \$100,000 in shares personally. J.F. Craig's

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<sup>95</sup> Manuel was so beside himself that he wrote at odd angles all over the page, and as can be seen by some of the above quotes, his normally adequate English was failing him.

investment equaled \$20,000, and the remaining shares were generally held in smaller amounts of not more than \$10,000, excepting Rionda's share which totaled \$40,000 in value, the amount he borrowed from McCahan as a result of the refiners six percent offer.

Rionda, however, controlled \$193,300 of the total of \$300,000 issued by the Cuban-American, much of that stock issued to satisfy the lien Francisco Rionda, his wife and heirs held against the company, as a result of transferring the title of the lands.<sup>96</sup> Thus Manuel, working within the bonds of a closely interdependent Asturian family, was able to utilize his brother's holdings to his own advantage as well as that of the entire extended family.

Manuel was now even more determined than ever, if that were possible, to see the Francisco through. Working late into the evenings on complicated machinery contracts, writing voluminous letters to all his strategic contacts regarding the political situation in Washington and Havana and investment prospects, keeping up an almost daily correspondence with the managers at both Tuinucu and the Francisco, and on top of all that, running the commodities brokerage house for Czarnikow-MacDougal, was proving to be exhausting. No doubt at his wife's insistence, he hesitantly agreed to take a short vacation (with some business relevance, of course) to see their friends the Allens in Portland and then on to Niagara Falls. 'Would

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<sup>96</sup> In reference to the loan, Rionda says, "I am sure it will pay me handsomely." MacDougal held only \$11,000 worth, perhaps an indication of the attitude of the entire Czarnikow-MacDougal firm toward investment in Cuban sugar estates at that time. MR to Fred Allen, June 18, 1900, BBC, Ser. 2.

McCahan approve?' he wondered to Craig, ever alert to the slightest nuance in the attitude of the old man. "You know how particular I am as to my duties!" "I am willing to do all I can, anything I can, to promote the success of the company. I will spare no work or time on my part to the company. It is my duty as well as pleasure . . . I want to do anything the Philadelphians say!"<sup>97</sup>

Over the summer the Board felt confident enough to issue the remainder of the unissued authorized shares as otherwise, ". . . many friends of the company were thereby excluded."<sup>98</sup> In connection with a credit inquiry from the London-based Colonial Bank, John Craig could now boast that "Francisco can well stand it--it is not an 'acorn' but an oak with spreading branches."<sup>99</sup>

At the Board meeting of September 12th McCahan resigned his position as President of Francisco, citing too many responsibilities in connection with his other business interests and pointing out that the company was now entering a new phase in which the purchase of machinery and other such matters would require the full attention of the officers. Rionda had long tried to convince the old man to serve and expressed disappointment at his resignation after so short a time; truthfully, however, McCahan's presidency had served its purpose: to serve as a sign to the sugar world that the Francisco had

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97 Despite the tone of this language, Rionda was no sycophant; rather he was genuinely dedicated to his work and regarded McCahan as a kind of paternal figure. MR to J.F. Craig, June 30, 1900, BBC, Ser. 2.; Rionda described him as a "grand old man," MR to J.F. Craig, September 4, 1900, BBC, Ser. 2

98 Board of Directors Meeting, July 23, 1900, BBC, Ser. 90, Minute Book 1

99 J.F. Craig to MR, July 30, 1900, BBC, Ser. 1.

the full backing of powerful interests in the industry. Clarke also resigned as Secretary/Treasurer citing the demands of his legal practice. Naturally, both men remained on as Directors.

The meeting was adjourned until that evening giving everyone the opportunity to see that all were in accord with whatever changes were planned. That night Craig, who by now was truly the driving force behind Francisco in Philadelphia, was elected President and McCahan was somehow persuaded to assume another officer's position, that of Secretary/Treasurer.<sup>100</sup>

In late October Rionda made plans to embark on his annual visit to Cuba. His was a complicated itinerary in that he hoped to persuade Craig to join him there and the plan involved various rendezvous with this and that person he felt he must see while on the island. All business, as usual, Manuel's cold reply to his friend Luis Placé's offer to take him to a Cuban fiesta was, "I can't see what you mean by going to Matanzas on a rumba . . . my trip to Cuba is not for rumba but to work."<sup>101</sup>

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100 Board of Directors Meeting, September 12, 1900, BBC, Ser. 90, Minute Book 1. At the following Board meeting of October 24th the Executive Committee reported the resignation of H.P. Booth to be replaced by McCahan. It was also reported that the company was to move their offices from 112 Wall Street in New York to 143 South Front Street in Philadelphia and that the Guarantee Trust and Safe Deposit Co. of that city would be made the financial depository of the company in Philadelphia, all of which signified the McCahan interest's acquisition of the controlling interest in the Francisco. For legal purposes, the company continued to hold its stockholders meetings in New Jersey, but now in Camden, just across the river from Philadelphia. And now that real work was in the offing, the Board voted to pay the officers: \$3,000 for the President, and \$2,000 each for the lesser two offices.

101 In a more conciliatory tone he goes on to say "It is very kind of you and Mr. Linares to prepare such a good time for us, but business is business, and pleasure must be put off." MR. to Luis Placé, October 31, 1900, BBC, Ser. 2.

Manuel hesitated to go immediately to Havana as he had heard that “. . . sanitary conditions are very bad. . . .” He planned to delay his trip by stopping over in Tampa. As it turned out, many *Habaneros* were more concerned about yellow fever than *la rumba*.<sup>102</sup> Nevertheless, Manuel did proceed to Havana around the second week of November, almost certainly missing Luis Placé, who was in Washington by that time representing the cane sugar industry in the US and Cuba. Rionda next went to Matanzas, possibly in the company of his nephew, Bernardo Braga, then on to Cárdenas, Cienfuegos, and Tuinucu where he had planned to spend one week with his brother-in-law, Pedro Alonso. From there he likely traveled to Tunas de Zaza, that estate’s nearest port and a port of call for the coastwise shipping along the island’s Caribbean shore. From Tunas, according to his plan, he took a steamer to Guayabal.

By early January 1901 Manuel was back in New York to attend the Annual Stockholder’s Meeting and was busy catching up on the

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102 MR to Luis Placé, November 2, 1900, BBC, Ser. 2. Yellow fever had been a perennial, endemic problem in Havana ever since 1720, killing thousands annually. Although the US occupation government had taken vigorous measures to bring the death rate down, since the exact cause and method of transmission of the disease was not yet known, the results were disappointing. In the summer of 1900 there were 310 reported deaths out of 1400 known cases, a disappointing rise from the period July, 1899 through April 1900 in which there were 344 reported cases and 119 deaths. Civil Reports, (Vol. IV), Cuba. Military Governor, 1899-1902. (Leonard Wood) Civil Report. (Vol. IV). Report of Major William Crawford Gorgas, Chief Sanitary Officer of the City of Havana, pp 1-2. On August 1, after many years of fruitless campaigning on the part of Dr. Carlos Finlay, authorization was given to test his theory of the *Aedes ægyptus* mosquito as vector, and soon found to be correct. Russell H. Fitzgibbon. Cuba and the United States: 1900-1935. New York: Russell & Russell, Inc., 1964. pp.39-40.



political news from Washington.<sup>103</sup> Placé scheduled meetings with President McKinley and with Marc Hanna, who he described as “the power behind the throne.”<sup>104</sup> A few days later he spoke with Senator Orville H. Platt of Connecticut, “who,” he affirmed, “supports our views on Cuba.”<sup>105</sup> Repeatedly Rionda reaffirmed his sanguine appraisal of the future of the reciprocity treaty that seemed ever to recede like a desert oasis, always just beyond reach. Invoking his favorite rhetorical image, the lowly potato, he quipped, if McKinley lacks the power to make a treaty, “*todo lo demás es una papa*.”<sup>106</sup>

But then, in Rionda’s opinion, the situation in Cuba was equally frustrating: he fumed at General Leonard Wood, head of the military government of Cuba, for refusing to remove duties on tobacco. “There should not be any export duties on tobacco or anything else. That [is] worse than the Spaniards.”<sup>107</sup>

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103 At the Annual Stockholder’s Meeting held January 5, 1901, the Board was expanded from five to nine members. The 1901 Board included J.F. Craig (Pres.), Rionda (V.P.) McCahan (Sec/Trea), Amos Little, James M. McCahan, Benjiman Parker, MacDougall, Henry D. Justi, and Booth. The Executive Committee was composed of the three officers plus James McCahan.

104 MR to Luis Placé, February 11, 1901, BBC, Ser. 2.

105 MR to Luis Placé, February 14, 1901, BBC, Ser. 2.

106 This is literally “all the rest is a potato” Perhaps an English equivalent would be “then its all hogwash.” Rionda found our system of government utterly exasperating. He repeatedly complained that the President had no power and the Senate refused to act. MR to Luis Placé, February 25, 1901, and subsequent correspondence, passim, BBC, Ser. 1 and 2.

107 On the other hand, in a rare (and perhaps suspect) defence of the Cubans as a sovereign people, he was in favor of erecting a tariff on molasses exported from Cuba to prevent the emergence of a molasses industry in the U.S. “Molasses sugar houses in Cuba should be protected by having a higher duty on molasses here [US] or by imposing an

Most frustrating of all to Rionda was the resistance shown by the Cubans to accepting what he saw as the panacea for all woes: The Platt Amendment. The rejection of Platt by the special Convention called by General Leonard Wood for the express purpose of approving the treaty was a matter of utter bewilderment to the Asturian.<sup>108</sup> He made his reasons for wanting the Platt Amendment fairly clear.

You ask me what is the best thing to do in Cuba to bring that [Cuban independence] about and the only thing I have to say is, accept the Platt Amendment as soon as possible. If that is delayed until December, then I fear the reduction in duties will not be made here in time to benefit the next crop.<sup>109</sup>

But never one to allow his own narrow interests to obscure his view of the general good, he went on to say "Once Cuba has a government established under the conditions of the Platt Amendment, confidence will revive and capital will go to Cuba, but not until then."<sup>110</sup>

Rionda was right. Everything remained on hold on the island; everyone waited for the other shoe to drop. Meanwhile sugar prices slid even lower and the prospects for the coming year looked worse

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export duty on molasses from Cuba. Why should there be molasses houses in the US? Cuba should look after her own industries." MR to Luis Placé, February 21, 1901, BBC, Ser. 2.

108 "I was sorry to see that the convention finally rejected Platt's Amendment. What is the next thing to do? I presume that the convention will have to be dissolved, Wood recalled, a new General appointed, a new convention convened, and then the Cuban people, the voters, will have a chance of putting up men who will look after the welfare of the country, and not the poets." MR to Luis Placé, April 9, 1901, BBC, Ser. 2.

109 MR to Manuel Rasco, April 15, 1901, BBC, Ser. 2. The link between the Platt Amendment and the Reciprocity Treaty is discussed in Chapter V, sub-heading "Tariffs."

110 *Ibid.* He concludes with a characteristic lecture: "From the above you will see that the whole matter is in the hands of Cubans, and you, like a good one, should make it very plain to your compatriots."

still. Many sugar estates maintained a skeleton crew to do only the bare minimum; others ceased operations altogether.<sup>111</sup> The only note of hope Rionda could sound was that he expected Roosevelt to “be more energetic on Cuban affairs than his predecessor.”<sup>112</sup>

Once again the Francisco was in trouble. There were vague references to assigning the mortgage. Rionda reacted vociferously: “To me it means much in the monetary sense but I would lose it all willingly rather than cause Mr. McCahan to be in the position he is--I am used to battle.”<sup>113</sup> He hoped his nephew, Leandro, could sell \$250,000 worth of bonds in New York, thinking that with reciprocity almost a certainty, the prospects should be good.<sup>114</sup> Roosevelt is in favor and will “. . . confer power to the Cuban convention to make such a treaty . . . Estrada Palma [is] in favor of annexation,” he wrote Craig.<sup>115</sup> “Under the circumstances,” he continued gloomily, “the Francisco must be helped along to such time as her machinery is all put up when the company will be on its feet and fully able to take care of itself.”

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111 MR to J.F. Craig, September 13, 1901, BBC, Ser. 2.

112 MR to Luis Placé, September 14, 1901, BBC, Ser. 2. Despite this comment, Rionda was an admirer of the slain President: “Although not an American, few Americans feel [the] death of McKinley more than I do. He was honest and a good man!” MR to J.F. Craig, September 14, 1901, BBC, Ser. 2.

113 MR to J.F. Craig, September 24, 1901, BBC, Ser. 2.

114 On May 28th the Board heard the treasurer’s report to the effect that the company was only \$51,000 in the black; the result was authorization to sell 250, \$1000 bonds at six percent to mature in ten years. Board of Directors Meeting, May 28, 1901, BBC, Ser. 90, Minute Book 1.

115 *Ibid.*

Rionda's plan for bailing out the Francisco was to borrow eighty or ninety thousand dollars from Craig's Philadelphia bank for a three or four month period, collateral consisting of a guarantee from the Cuban-American, all the Rionda family stock to be pledged to that guarantee.<sup>116</sup> On October 1st a similar amount was due in cash payments from stockholders which could be used to pay off company debts. When the remainder of the company bonds were sold off, that money was to be used to pay off the bank. In addition, the company needed \$100,000 to \$150,000 for running expenses at Guayabal. For this money Rionda was counting on McCahan, who, he thought would be more likely to come through if a short-term bank loan had been secured, as opposed to depending on bond sales.<sup>117</sup>

Rionda predicted a profit for the 1902 season of \$143,000--\$187,000 if the reciprocity treaty were to lower duties 25% as expected. In sharp contrast, MacDougall returned from company headquarters with the news that ". . . London seems to think the devil is lose and smashing anything that smells to sugar."<sup>118</sup>

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116 Rionda was bending over backward to keep Francisco afloat. He even made planned to abandon his sugar brokerage business in New York and go to Guayabal in early October until the mill was in place (of course the sugar business could not have been worse at this time, anyway). MR to J.F. Craig, September 25, 1901, BBC, Ser. 2.

117 Rionda's thoughts are at times a bit obscure. He had a habit of juggling several possible solutions to a problem at once, so it is not always clear what he had discarded and what had been retained. Here, for example, we cannot be sure whether a loan from McCahan would make the bond sales unnecessary, or if he wanted both sources of financing. Aside from the above, certain complex stock transactions had already occurred involving W.J. McCahan & Co., Czarnikow, MacDougall & Co., and the estate of Francisco Rionda all surrounding Tuinucu, the crux of which was that when Tuinucu signed over a mortgage to Czarnikow, all the other stock transfers, assignments, etc. would be covered. *Ibid.*

118 MR to J.F. Craig, October 3, 1901, BBC, Ser. 2.

Manuel departed for Guayabal around the first of October to oversee the erection of the mill which was finally beginning to take shape. The Francisco was on shaky ground; the Board met on October 3rd, and despite the sale of \$181,000 worth of the bonds and an additional \$126,875 in stock installments, Craig reported the balance at only about \$15,000. With the cost of the machinery and related construction the expenses at Guayabal were astronomical; since the last report in July payments equaled nearly \$350,000.<sup>119</sup> A motion was made to open an archive account with the First National Bank and the Gerard National Bank of Philadelphia. It was the sense of the meeting that the President (J.F. Craig) go to the estate at Guayabal and meet with Rionda to survey the situation. It is evident that matters were becoming grave.

On the 18th Rafael Zavallos, sitting in for Manuel in New York, wrote the Estate Manager, Francisco Coma. His words reflect not only the company policy at Guayabal, but the economic ambiance throughout Cuba:

I want you to economize in every way possible. Not only Francisco but all of the mills of Cuba follow, because they must follow, this system--economy in the production of sugar in Cuba will be the only basis for its future. And it is possible to produce sugar very cheaply in Cuba, but only if economy is well maintained.<sup>120</sup>

Manuel returned to New York in time to be home for Christmas. Despite the reign of pessimism throughout the industry, he wrote cheerfully to a sugar machinery man with the Honolulu Iron Works about the "Great improvements. . ." he had seen at Guayabal. ". . .

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119 Board of Directors Meeting, October 3, 1901, BBC, Ser. 90, Minute Book 1.

120 Rafael Zavallos to Coma, October 18, 1901, BBC, Ser. 2.

after witnessing the tremendous amount of detail incident to the erection of machinery, buildings, etc., I can thoroughly appreciate the anxiety and responsibility felt by others . . .”<sup>121</sup> Manuel was being modest, for he was the master of anxiety, receptor of all responsibility, and exacting as the accountant that he was; such is revealed by his detailed directives to the estate as for three years two hundred men hacked and burned a great forest down to plant cane.

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<sup>121</sup> MR to Hedemann, December 27, 1901, BBC, Ser. 2.

## CHAPTER IV CARVING A SUGAR ESTATE OUT OF THE FOREST

### Cuban Sugar Production at the Turn of the Twentieth Century.

#### The Agronomic Requirements of Sugar Cane Production in the Cuban Environment

##### Environmental requirements

Climate. Sugarcane(*Saccharum officinarum* L.) is regarded as a tropical crop, although it is grown in several areas well beyond the tropics.<sup>1</sup> It is between the two tropics, however, that this cane thrives, and it is there that it is grown with the greatest ease and flexibility of use. Two of the broad classifications of low-latitude climates include the wet tropics and the wet-dry tropics.<sup>2</sup> It is within the latter, with its distinct dry season, that sugar cane, and, for reasons both agronomic and economic, sugar cane growers, prefer.

Cuba epitomizes the wet-dry tropics, and as is mentioned elsewhere, the southeast coast of Cuba is distinctly within that zone. The May through October rainfall is sufficient to grow a good stand of cane, thus no recourse to irrigation is needed, as is required along the

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1 Louisiana, Argentina, and Natal are the primary examples of cane sugar industries beyond the 30th degree of north and south latitude.

2 Reference is made here to Köppen's Am and Aw climates.

south coast of Puerto Rico, for example.<sup>3</sup> The dry season, on the other hand, stimulates the cane to fully ripen in a syncopated mass, whereas in the wet tropics the mill must accept cane of all stages of maturity. Of nearly equal importance, the dry weather allows the grower to get into the fields with his equipment to harvest.<sup>4</sup>

The only negative feature of Cuba's climate with regard to cane culture (but this applies more particularly to the western portion of the Island), is the incidence of hurricanes. Assuredly, a direct strike by a category two storm, or even a glancing blow from a more powerful hurricane, can and has destroyed cane crops.<sup>5</sup>

Soils. All Cuban soils fall into the great soil group of the red, yellow, and gray humid tropical laterite or latosolic type, but planters of the nineteenth century generally spoke of *los terrenos colorados*, *los terrenos mulatos*, and *los terrenos de color negro*, but Bennett and Allison provided Cuba with her first truly definitive book on soil classification in 1928.<sup>6</sup> They divided Cuba's sugar soils into ten major categories with a number of sub-types under each. One of these ten categories is *los terrenos mulatos achocolatados*

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3 Certain coastal zones in far eastern Cuba, notably around Guantanamo Bay, tend to be somewhat arid.

4 Noël Deerr, Cane Sugar: A Text-Book on the Agriculture of the Sugar Cane, the Manufacture of Cane Sugar, and the Analysis of Sugar House Products. Manchester: Norman Rodger, 1911, pp.18-20, Franklin S. Earle, Sugar Cane and its Culture. New York: John Wiley and Sons, 1928, pp. 191-92, and Francis Maxwell, Economic Aspects of Cane Sugar Production. London: Norman Rodger, 1927, p. 20.

5 An example would be the 1932 hurricane which virtually destroyed the city of Santa Cruz del Sur and the surrounding area.

6 H.H. Bennett and R.V. Allison, The Soils of Cuba. Tropical Plant Research Foundation, 1928. Undoubtedly more recent work has been done since the Revolution, but this classification system reflects the understanding of Cuban sugar soils for the first quarter of the twentieth century and was still regarded as standard in mid century.



which includes the sub-type *los terrenos que yacen sobre piedra calcárea o cocó*. This classification is generally described as having a friable subsoil. Of the three divisions of this sub-type, one is the *tipo Francisco*, named for the sugar estate itself, the technical description of which is noted below.<sup>7</sup> Not all of the Francisco lands were of this soil type, the littoral of the Caribbean obviously being of a very different soil composition, as well as certain other areas within the Estate. The *tipo Francisco*, however, almost certainly represented the majority of the cane-growing areas of the property, and one thinks immediately of the Los Ranchos area as having been typical of this excellent sugar soil.<sup>8</sup>

To conclude, Cuban sugar soils, though of widely differing characteristics, are among the best in the world. For reasons probably more related to culture than the soils themselves, Cuban cane is not noted for its outstanding sugar content; however, Cuban cane is famous for its longevity between plantings. Nowhere else in the world have growers been able to ratoon so many successive

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7 "Class Francisco: Superficially brown-chocolate varying to brownish-red chocolate. At depths of from eight to ten inches the color varies from brown clear chocolate to red. At this strata it runs between hard calcium deposits. From 15 to 36 inches one passes (a) Cretaceous calcium (*cocó*); (b) rose and yellow calcareous loam; (c) the top layer of calcium rock, hard or semi-hard. The zone slopes. It is well drained and conserves moisture well. Locally it contains gravel of exposed rock and the calcium is found to a depth of 36 inches. The class Francisco is of moderate extent and importance. Fernando Agete y Piñero, La Caña de Azúcar en Cuba, República de Cuba, Secretaría de Agricultura, Dirección de Estaciones Experimentales, Estación Experimental de la Caña de Azúcar. La Habana: Editorial Neptuno, S.A., 1946, pp. 252-53. (after Bennett and Allison).

8 Levi Marrero describes the soils of the south part of Camagüey as being highly productive clay soils. Toward the interior these are Matanzas and Habana clays where some savanahs are found. The coastal soils are described as "mostly alluvial requiring ditching for cultivation" and are good for cattle raising. Levi Marrero y Artiles, Geografía de Cuba, La Habana: Editorial Selecta, 1957, p. 573.

crops of sugar without replanting. Some nineteenth-century ingenios claimed a generation of cane for a generation of people, though the average was far below that--say in the neighborhood of ten to fifteen years. This is to be compared with many other sugar growing areas in which replanting is required annually due to a soil/disease complex.<sup>9</sup>

### The culture of sugar cane

Varieties. Earle's annotated list of cane varieties includes over 1700 names, but our concern here is with the two broad categories of cane that advanced across the Antilles in the nineteenth century, as disease necessitated the substitution of the new for the old.<sup>10</sup>

*Saccharum* is an old world genus probably native to Oceania. Columbus brought the first cane to the New World on his second voyage in 1493. It was of an undefined type, and was the only type known in the Western Hemisphere for three centuries. In the late eighteenth century a new variety was introduced by two routes, the first to the French islands from Tahiti via Java and Mauritius, the result of the voyages of Bougainville and the work of the French colonial government; the second was introduced in 1791 directly to Jamaica from Tahiti, compliments of Captain Bligh. This type, known as Otaheite (the former name for Tahiti), quickly replaced the old *caña de la tierra* to become the standard cane variety..<sup>11</sup>

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9 "Cuba's pre-eminence as a sugar producing country is mainly due to the quality and quantity of its soil. The extraordinary fertility of the natural cane lands in that island is a well known fact." Maxwell, Economic Aspects of Cane Sugar Production, p. 13.

10 Earle, Sugar Cane, Appendix I.

11 Otaheite was also known as Bourbon, Caña Blanca and later in Hawaii as Lahaina. *Ibid.*, p. 5.

Otaheite, however, was not the panacea for the sugar industry that it first appeared. As the soils upon which it grew wore out, the cane became susceptible to various diseases. Gum disease followed by root disease followed by various other diseases too numerous to mention led to an intensive search in the late nineteenth century for resistant varieties. In 1872 a particularly severe outbreak of a still uncertain disease all but wiped out the industry in the western half of the island. It was at that time that the resistant category of canes which came to be known as Crystalina were discovered and these canes gradually came to dominate the cane fields of Cuba.<sup>12</sup> When Manuel Rionda instructs Francisco Coma to buy la Crystalina, not la Blanca, he is reflecting an informed preference in cane varieties.<sup>13</sup>

Methods of planting. Only new-land plantings (*tumbas*) are addressed here as this was the business of the Francisco in those first years of establishing the plantation.

From the early years of Cuban cane planting in the seventeenth century until at least the second third of the twentieth century, when clearing a forest for cane plantings, it was the practice to simply fell the trees, cut, pile, and burn the undergrowth and branches, and

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<sup>12</sup> *Ibid.*, p. 7-8. Don Emilio de Luaces, owner of El Ingenio de Oriente, not far from Guayabal, described the transition from La Criolla or de la Tierra to Otaheite to Cinta (a dark Cristalina) to la Crystalina, "ultimamente introducida y muy buena, porque prospera en todo terreno." P. Antonio Perpiña y Pebernát, El Camagüey: Viajes Pintorescos por el Interior de Cuba y por sus Costas con Descripciónes del País, Barcelona: Librería de J.A. Bastinos, Librería de Luís Niubó, 1889, p. 83.

<sup>13</sup> MR to Coma, February 2, 1900, BBC, Ser. 2. Note that crystalina was first identified only 28 years previously. This relatively short time span represents the advantage of rapidly maturing perennials over orchard crops in terms of the introduction and dissemination of new varieties. Perhaps more importantly it represents the high degree of rationalization of the world sugar industry of the period by which time research and communications had come to play a significant role in promoting the rapid development of the industry. A century earlier nothing of the sort would have happened.

plant the cane. The stumps and larger trunks were left where they fell to be later burned or to rot away over the years. The holes or furrows for planting the seed cane were dug using sharpened poles or crowbars (*jans*) around the remaining debris; no plowing, discing, or chopping was done with any kind of drawn implement; only the eye hoe was used to combat the weeds until the young cane grew tall and thick enough to inhibit weed growth. Sometimes planting was delayed for a reburn and "cleaning" [*limpiar*] in which growth which had regenerated was chopped off with machetes and burned.<sup>14</sup>

The seed cane (historically referred to as *caña de planta*)<sup>15</sup> consisted of pieces of cane about 12 inches in length containing two or three strong nodes. The canes were cut seven to ten months in advance of planting and then cut into the shorter lengths in the field or batey. The cutting was done on a chopping block so as to make a good, clean cut leaving no ragged edges which could admit viruses or other diseases. The canes were then planted at an angle in the holes

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14 Earle, Sugar Cane, p. 205. To one familiar only with temperate zone agriculture, this practice may seem lackadaisical. Unless this practice be conflated with stereotypical Anglo-Saxon ideas about Hispanic inefficiency and laziness, it is pointed out that those of English and Scotch-Irish ancestry who settled the US sub-tropics, i.e. Florida, followed precisely the same practice when clearing and planting land for citrus fruits and other crops in the nineteenth century. c.f. Harold H. Hume, Citrus Fruits and their Culture. New York: O. Judd & Co., 1904.

Land preparation can be divided into five phases: (1) chapea: the clearing away of the undergrowth and lower branches with machetes, (2) tumba: the felling of the trees, (3) pica: separating the useful wood from that to be burned, (4) quema: burning the undergrowth, branches, and what trunks will burn, and (5) foguereo: reburning that which failed to burn the first time. This is done several months later. Agete y Piñero, La Caña de Azúcar, p. 297. The same system was used throughout the nineteenth century. See Manuel Moreno Fraginals, The Sugarmill: The Socioeconomic Complex of Sugar in Cuba. New York: The Monthly Review Press, 1976, p. 74.

15 Moreno Fraginals mentions references to caña de planta in O'Farrill's handbook of 1792 and in Reynoso's famous 1862 treatise on sugarcane, Ensayo Sobre el Cultivo de la Caña de Azúcar. See The Sugar Mill, pp. 88 and 90.

or short furrows with about three or four inches of soil covering the butt end, the top end left exposed. Sometimes two canes were planted to the same hole in case one failed, but when seed cane was in short supply, as it was at Francisco, shorter pieces of only one or two nodes were planted. Such light planting, however, frequently resulted in a poor seed cane (or plant cane) crop as occurred in some of the first Francisco plantings.<sup>16</sup>

The plant cane crop is either planted in the Fall (*siembra de frío*) or Spring (*siembra de primavera*). In the western provinces virtually all of the *centrales* plant in the Fall, but in the east, for complex reasons relating to climate and soils, many of them plant in the Spring.<sup>17</sup> The major plantings at Francisco were in the Spring.

The dead season husbandry. "Sugar cane is a crop with very simple agricultural requirements. If this were not so the world would be short of sugar, for there are few large-scale crops that are grown by such crude, antiquated methods."<sup>18</sup> And nowhere was Earle's pronouncement truer than in nineteenth-century Cuba. The under-capitalized *ingenios* seemed to pridefully wallow in their antiquity, spurning any and all suggestions of change.<sup>19</sup> Until the coming of

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16 Fabricación del Azúcar. La Habana: Editorial Nacional de Cuba, Editora Pedagógica, 1965, pp.10-12, and Earl, Sugar Cane, pp. 205-206.

17 Agete y Piñero. La Caña de Azúcar, pp. 311-12. In Camagüey in 1946, 36 percent planted in the Spring and in Oriente about 57 percent always or usually planted in the Spring.

18 Earl, Sugar Cane, p. 191.

19 Many references and examples of this attitude can be found in the literature. For instance, see Manuel Moreno Fraginals, The Sugarmill, p. 89 for the discussion of planting methods and hacendado attitudes. Fraginals developed his now often-attacked thesis around this issue, ie. that slavery hindered technological advance.

foreign capital, practically the only plow used was the old creole plow, a small and relatively ineffectual implement. A great deal of hand hoeing was done, even after the passing of slavery--and even long after the advent of foreign capital, due, no doubt, to the *colonato*, animal power reigned supreme.

After the planting of the seed cane, the weeds and vines had to be kept down to allow the young cane to establish itself. This was done with the machete and the hoe. After a few months, however, if the stand was developing properly, the cane would begin to close in and weed growth was inhibited. If the stand was growing poorly or had been planted too lightly, however, the weeds would continue to compete and more hoeing was required for the less lucrative crop.<sup>20</sup>

Fertilizing was never done on new lands in Cuba. It simply was unnecessary in the highly fertile soils. Later, after several ratoon crops, manuring was sometimes practiced.<sup>21</sup> A sugarcane crop gives much back to the soil in that the canes are striped in the fields, and where ratoon crops are made as in Cuba, the old root systems decay in place releasing their elements into the soil for the next crop. Of course any monoculture eventually exhausts the soil if disease does not strike it down first.

Methods of harvesting. Cane in the period of study was harvested by hand the world over. In fact, a mechanical cane harvester was not put on the market until the World War II era. In 1946 not one *central* in Cuba was using a mechanical harvester, and

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<sup>20</sup> Earle, Sugar Cane, p. 205.

<sup>21</sup> In 1918 the Company spent only \$1541 on fertilizers which were applied to but eleven of 217 numbered fields. Manager's Journal, BBC, p. 40.

even in 1989 in the United States, cane was still hand harvested on many farms. Cane sugar is, therefore, a seasonally labor intensive crop.<sup>22</sup>

Cane cutting is a semi-skilled occupation requiring great physical endurance and strength. When Juan Fernald, one of Francisco's administrators, complained that workers in Guayabal did not know how to cut cane and proposed to bring cutters in from the old cane-growing districts of Cuba, he may have had a point.

The cane must be cut sharply at the base of the plant, for most of the sucrose is found near the bottom of the stalk. The cutter uses a sharp cane knife which in Cuba is known as a *mocha*.<sup>23</sup> The stalk is then stripped of leaves which are piled in windrows in the alternate middles, or, in other words, between every other row. Every move of the cutter has to be economical, for a wasted movement meant less money in the pocket. An average cane cutter could cut 200 arrobas in eight hours--the very best perhaps 300, but only in a good field.<sup>24</sup> The cutters were paid per the 100 arrobas, as were most other tasks on the Cuban sugar estate.

After the cane was cut, it was neatly stacked into the creaking *carretas*, or bull carts, for the slow trip through the fields to the *batey*.

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22 Agete y Piñero, La Caña de Azúcar, p.351. For a discussion of the Florida sugar industry in the late twentieth century see Alec Wilkinson, Big Sugar: Seasons in the Cane Fields of Florida. New York: Vantage Books, 1989, pp. 72-77. As of 1993, however, practically all hand harvesting in Florida ceased.

23 Agete y Piñero. La Caña de Azúcar, p. 351.

24 *Ibid.*

### Labor and the Colonato

As seen earlier, the *colonato*<sup>25</sup> is the name given to that system of cane production which developed in Cuba after the Ten Years War in which farmers (*colonos*) of widely varying means contracted with a *central*, or large sugar factory, to supply cane at a guaranteed price or at the prevailing market price directly correlated to the price of raw sugar. The *colonos* included both those who owned their own land and those who leased land from the *central*. The lands farmed by the *colonos* were known as *colonias*, and these varied in size from one *caballería* to 30 or more.<sup>26</sup>

Many different types of arrangements were made between the *colono* and the *central*. According to Agete, "As to the most convenient and economical arrangement regarding the *colono* system, there are probably as many opinions as there are persons in the sugar business in Cuba."<sup>27</sup> Manuel Rionda's many and conflicting opinions in this regard highlight the number of possibilities.

Once the decision was taken to incorporate *colonos* into the production process, the *central's* management had then to decide whether to divide company lands into *colonias* or to look for potential *colonos* who owned nearby lands. Obviously the contractual arrangements would be quite different between the two categories of *colonos*, and from the *central's* point of view, there were advantages and disadvantages to both choices which are revealed in the course

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<sup>25</sup> A more thorough analysis of the colonato is found in the conclusion.

<sup>26</sup> One *caballería* is equal to 33.6 acres.

<sup>27</sup> Agete y Piñero, La Caña de Azúcar, p.347.



of this study. Geographical location and experience determined the overall company policies as applied to each *central*, but the tendency was for the newer, larger mills to militate toward the landless *colonos*, as is evident in the case of the Francisco.

A second decision to be made was that of how to pay the *colonos* for their cane. This was obviously linked to the question of land tenure, but in general the choice was between a cash payment based on a flat percentage of the value of the cane which was linked to that fortnight's average market value of raw sugar (the *promedio*), or payment in raw sugar representing an equivalent value based on the same market average. For example, a *colono* growing on company land might be paid a 5% commission on the value of the cane for having grown the crop, the company having supplied all inputs (of which there was only the seed cane in the case of plant cane and perhaps a little fertilizer in the case of the older ratoon fields) and provisions for the *colono* and his family which would be deducted from the five percent commission. Or the *colono* could be paid in sugar, five arrobas per 100 *arrobas* of cane, this being the standard for much of the period of this study in eastern Cuba. In any case as Ramiro Guerra puts it,

The *colono*, dependent on the sugar mill, can only accept the conditions set for him by the mill or abandon his farm: he has no alternative. And what conditions are laid down by the latifundium company? Knowing the exact production cost, the company makes sure that the *colono*, working carefully and efficiently, can barely earn a living. Business is business, and it would be ridiculous or stupid--and corporation directors would have to account to shareholders--for the company knowingly to grant five arrobas to the *colono* who can make ends meet on four and a half.<sup>28</sup>

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<sup>28</sup> Guerra y Sánchez, *Sugar and Society*, p. 88.

*Colonos* were often given advances to cover the costs of hired day labor and perhaps certain inputs in the case of the larger *colonos*. The poorer growers often required an advance to cover the basic necessities of life.<sup>29</sup> In the latter case, however, it was more common to deduct the cost of provisions from future payoffs, thus a company store situation would often develop in which the *colono* would be lucky not owing the company at the end of the *zafra*. At one time Rionda had such a system in mind for Francisco, although he changed his mind when the stores proved to be unprofitable.

Another labor system developed in conjunction with the *colonato*: that of directly hired labor or the administrative system. This means of organizing production also had its variants, but essentially either day workers (*jornaleros*) or contract labor was hired by the plantation management to do the work slaves had done a generation earlier, but for a wage. The great advantages of this system for the *central* were the more direct control the estate exercised over labor, the advantages of economies of scale in terms of mechanization within the agricultural component, and greater flexibility in regard to "changes in the area planted, the methods of cultivation, and in varieties."<sup>30</sup> However, the failure in Cuba during the first half of the twentieth century to adapt technological innovations on the agricultural side tended to negate some of the stated advantages of this system.

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<sup>29</sup> Rionda stated at one point that he would not give advances to *colonos*, for if the cane burned, all would be lost. MR to Juan Clark, February 28, 1899, BBC, Ser. 2.

<sup>30</sup> Earle, Sugar Cane, p. 245.

The Initial Development of the Francisco Estate: 1899-1902

*"What we want to be is popular."*

The Year 1899

If the capitalization of Francisco was a tenuous business proceeding by fits and starts and succeeding chiefly by virtue of Rionda's awesome tenacity, the development of the estate was likewise a relentlessly grueling endeavor. This was true for Manuel Rionda, for his backers, for the estate managers, and for those who gripped with grimy flesh the leather, wood and iron that brought the plantation into being.

Though he would never admit it, Rionda's potentially greatest challenge was labor, and his fondest hope was that *colonos* such as Salvador Fluriach would relieve him of the burden of having to deal directly with *los peones*.<sup>31</sup> Thus for Rionda, the overriding concern was the recruitment of *colonos* in sufficient numbers to produce the necessary amount of cane to supply a sugar factory of the size he had in mind. As early as February, 1899, only one month after his first look at the Guayabal lands, he wrote Salvador Fluriach that he had friends looking for additional *colonos* in Havana and Matanzas. While

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<sup>31</sup> Rebecca Scott states that "Selling one's labor to white colonos, often immigrants [as was Fluriach], may have been preferable to selling it to former slave holders, but at least one freedman remembered those colono employers with bitterness: "What they were was sons of bitches, meaner and stingier [más bravos y tacaños] than the hacendados themselves. They were very tight with their wages" cited in Emancipation in Cuba: the Transition to Free Labor, 1860-1899. Princeton: Princeton University Press, 1985, p. 242 from Miguel Barnet, Biografía de un Cimarrón. Havana: Instituto de Etnología y Folklore, Academia de Ciencias de Cuba, 1966, p. 105. This is not necessarily to imply that the labor Francisco's colonos employed were all former slaves, in fact, it is doubtful that a majority of los peones were in that category.

on the one hand, he was reluctant to bring in outsiders, on the other, he worried about recruiting a sufficiency even beyond Guayabal, as any who came, he reasoned, would have to break their existing contracts.<sup>32</sup> A week later he wrote to Juan Clark asking him if he knew of anyone who might wish to become a *colono* at Guayabal, stating that the company would buy the cane at 1 3/4 (dollars), the *colono* would have the use of the land free for ten years and that the cost of clearing, burning, cleaning and planting would be about \$900 per *caballería*, one *caballería* yielding at least 110,000 *arrobas* of cane.<sup>33</sup>

On February 16, 1899 Rionda deposited \$1000 in Spanish gold in his brother-in-law Pedro Alonso's account to the credit of Fluriach.<sup>34</sup> Supposedly the work of clearing and burning had already begun. Fluriach, it was hoped, would plant under contract at least five *caballerías* in the Spring to provide seed cane for the following year. This planting contract was critical to the success of the operation and represented, along with *colonos*, Rionda's other principal concern regarding the initial development of Francisco.

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<sup>32</sup>MR to Salvador Fluriach, February 7, 1899, BBC, Ser. 2.

<sup>33</sup> In his zeal to attract colonos Manuel waxed a bit sanguine; as will be seen, for the first years at Francisco, these last two figures were indeed overly generous. MR to J.M. Clark, February 14, 1899, BBC, Ser. 2. Fluriach, for example, had made somewhat higher estimates of the cost of planting, claiming that he would have to have \$95,000 to plant seed cane on 70 *caballerías*, but this estimate also included operating costs between November and May. Rionda insisted, however, that \$70,000 would be enough to do the job, allowing \$63,000 for the planting and \$7000 for the additional carrying costs. MR to Fluriach, February 7, 1899, BBC, Ser. 2. In another letter Rionda uses even more optimistic figures, claiming that clearing, cleaning, and planting could be done for \$800 per *caballería*, one *caballería* yielding 120,000 *arrobas* of cane. MR to I. Infante, March 9, 1899, BBC, Ser. 2.

<sup>34</sup> MR to Salvador Fluriach, February 16, 1899, BBC, Ser. 2. The letter is erroneously dated January 16.

Good seed cane had to be obtained to sow the seed cane fields which would in turn supply the great plantings the following year.<sup>35</sup> Virtually from the moment of decision to go ahead with the project, Manuel's efforts were directed toward obtaining this seed for the initial plantings--and at the lowest possible price. One week earlier Rionda had written to Fluriach urging him to report on his progress. He told him that he awaited his reply ". . . with natural anxiety." representing the first hint of disquiet in an almost uninterrupted litany of remonstrances ranging from pitiable complaints to petulant protests to stormy diatribes directed at whoever was held responsible for the planting, or the failure to plant seed cane at Guayabal.<sup>36</sup>

Anxious though he was to plant, economy demanded precedence: he exhorted Fluriach to wait and buy the cane when the price was lowest. Nor did Rionda see the necessity of purchasing in Manzanillo (where the cane was presumably more expensive) as Fluriach had planned, but rather, he insisted, it could be had at Madre Vieja in close proximity to Guayabal.<sup>37</sup> Given the company's "ample resources," Rionda did not see why they should have to pay

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<sup>35</sup> Rionda ordered that a guard be placed at the seed cane field. ". . . que será la base para las grandes siembras. "(trans.: "for that will be the basis of our great plantings") MR to Coma, February 14, 1900, BBC, Ser. 2.

<sup>36</sup> MR to Fluriach, February 7.

<sup>37</sup> MR to Salvador Fluriach, February 29, 1899, BBC, Ser. 2. The name "Madre Vieja" indicates an old riverbed, now cut off from the main course of the river (what is called an oxbow in the U.S. South). This land was near the Río Sevilla at the northern boundary of the property.

“the extravagant price asked for cane.”<sup>38</sup> In the matter of other expenses Rionda was equally penurious. He debated the cost of fencing, citing the low price of rolled wire in New York, and maintained that few oxen would be needed, as a team [*un tiro*] of horses was to be brought down.<sup>39</sup>

Fluriach, meanwhile, prepared to go ahead with the clearing, burning, and cleaning. He subcontracted all or most of the planting to a local man, Orfilio Ramos, but as he remained directly responsible for the contract, he was not insulated from the many attendant difficulties and setbacks.<sup>40</sup> From the outset, Fluriach began to have the kind of labor problems Rionda would publicly minimize, yet, whenever possible, strive to personally avoid. The laborers wanted to be paid by the day but Fluriach wanted to pay them at the completion of the work. He writes Rionda that he is afraid that they will run out of money if the workers are paid daily, meaning that not as much work will get done for the wages paid.<sup>41</sup> It would seem that a compromise was reached and the workers agreed, at least for this contract, to be paid by the week. In any event, by early March two *caballerías* were being cleared by Ramos using the first \$1000

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<sup>38</sup> MR to Salvador Fluriach, February 25, 1899, BBC, Ser. 2. Rionda's obsession with economy often led to deplorable results. He had a tendency to be penny wise and pound foolish.

<sup>39</sup> *Ibid.* The advantages of oxen over mules and horses would later become manifest.

<sup>40</sup> Ramos was another local entrepreneurial/jack-of-all-trades type who also ran the local tienda or general store.

<sup>41</sup> Fluriach to MR, January 25, 1899, BBC, Ser. 1

deposited with Pedro Alonso, a second \$1000 to be paid when the job was completed.<sup>42</sup>

Fluriach wrote Rionda that he had consulted various estate administrators and they agreed that it was necessary to plant four *caballerías* of seed cane to yield enough seed to plant 70 to 80 *caballerías* which was the amount necessary to furnish eight million *arrobas* of cane. He was also advised that it was “. . . better, faster, and the yield would be greater. . .” if the bulk of the planting (ninety percent) was done in May and the rest planted gradually up to the end of the year.<sup>43</sup> Whether Fluriach actually believed, as did Rionda, that it was within their capabilities to clear, clean, and plant 70-80 *caballerías* within the year is doubtful, as events were to prove that estimate far wrong. In fact indications are that planting the five *caballerías* of seed cane were either beyond Fluriach's capabilities, or given the labor problems and perhaps niggardly advances from Rionda, an uninviting prospect. A third possibility is that Fluriach was, in fact, hoping to sell the bulk of the seed cane to Rionda himself. Other alternatives were to buy the seed cane from a mill in Manzanillo, bringing it in by boat, or to find *colonos* to do the

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<sup>42</sup> Contracting and subcontracting of this type would have required a certain liquidity, especially if the workers were paid by the day and final payment for the work was not to be made until its completion. This may explain Fluriach's reluctance to pay by the day or it may be that he simply did not wish to grant the needed credit to Rionda, he being a foreigner and effectually beyond the reach of Cuban creditors.

<sup>43</sup> Fluriach to MR, February 7, 1899, BBC, Ser. 2. It is not stated whether the remaining plantings are on additional acreage or are filling in the skips where the first planting failed. The latter practice was always necessary.

additional planting..<sup>44</sup> Fluriach suggested dividing the Estate up into five to ten *caballería colonias*, arguing that it would be easier and more efficient to advance \$1000 per *caballería* to each *colono* than to buy the seed cane. Presumably then the *colonos* would have to make shift to find the seed cane for themselves--perhaps buying it from Fluriach.

In addition to the clearing, cleaning, and planting of the cane, there were other miscellaneous improvements that had to be made almost immediately, quite aside from the erection of the batey, the railway, and various structures. The wharf, for example, could not be used for commercial purposes in its dilapidated condition.<sup>45</sup> Fencing had to be erected to keep the range cattle out of the cane fields. To the eventual, profound regret of Rionda, all these tasks were initially entrusted to Fluriach.

Rionda had a definite physical plan in mind for the estate that suggests he envisioned Francisco as the model of the twentieth-century Cuban *central*. The land was to be divided in such a manner that each *colono* would have a portion nearest the factory and also his share of "the furthers" (land away from the mill). The *colono's* homes were to be built around the batey, as Rionda wanted them to have their dwelling houses as close to their work as possible. Strips of trees were to be left standing between the cane fields to prevent the spread of large fires. Rionda wrote that he wanted ". . . plenty of

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<sup>44</sup> Fluriach estimated that 4000 carretas of cane would be required at a cost of \$95,000 to plant 80 caballerías. The Manzanillo mill would have probably been either Dos Amigos, Salvador, or San Ramón.

<sup>45</sup> Fluriach reported that ". . . if the high parts are in good condition, the braces and boards are wormy." *Ibid.*



shade around the houses and also the gardens.”<sup>46</sup> Finally, banana or plantain trees were to be planted along the lanes (*guardas rayas*) between the fields. This was also done to help prevent the spread of fire, and presumably augmented the local supply of *plátanos*.<sup>47</sup>

The key to success in an enterprise of this sort was, of course, the estate manager. Though he tried his best, and never ceased to try to run the estate even down to the smallest detail from his Wall Street office, Rionda could not, in fact, effectively manage affairs from over 2000 miles away.<sup>48</sup> As early as February Manuel asked an Havana friend if he could refer him to some person in whom his friend had confidence as a possible administrator for his new mill. This matter was described as “*un punto delicado*.” (a delicate point).<sup>49</sup> What qualities, then, did Rionda want in his estate manager?

First he wanted a man who knew how to grow sugar. This kind of knowledge could only be gained after many years of experience on a sugar estate. Second, he wanted his administrator to know how to manage a labor force; third he wanted someone who would faithfully

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<sup>46</sup> MR to Juan Clark, March 14, 1899, BBC, Ser. 2. See also MR to J.F. Craig, August 8, 1899, BBC, Ser. 2.

<sup>47</sup> The planting of plantains along the *guardas rayas* (or *guardarrayas*) had been a common practice in Cuba since the eighteenth century. The trees supplied food for the slaves, helped to prevent the spread of fire, and their leaves were used to wrap the stoppers plugging the sugar molds. Moreno Fragnals. *The Sugar Mill*, p. 87.

<sup>48</sup> The mails took about ten days from New York to Guayabal, thus there was much reliance on the telegraph service which required usually one day to get the message from the telegraph office in Manzanillo to Guayabal. Telegrams were too expensive, however, to be used in lieu of letters.

<sup>49</sup> MR to Bartolomo Virgara, February 7, 1899, BBC, Ser. 2.

communicate every detail of the operation to Rionda on a nearly daily basis, and fourth, but not least, he wanted a man who knew Cuba--knew how to grow sugar in Cuba, knew the language of Cuba and most importantly the people of Cuba, whom Manuel regarded with remote scientific curiosity as a population having such a surfeit of peculiarities as to make them very nearly the oddest people on earth.<sup>50</sup>

Seemingly often unsure of his own judgment in the matter of choosing good sugar lands, Rionda searched for expertise. Thus in seeking an expert he sought an estate manager and vice versa. The first to appear was Gabriel Menocal to whom Rionda was referred by Alfred Pesant.<sup>51</sup> Menocal was an administrator on a plantation in Nicaragua where Pesant may have constructed a mill. Rionda's need for expertise was never greater, having just received an unsettling telegram from Juan Clark fresh from an inspection tour of Francisco with Alfred Pesant : "RIONDA STOP ASCERTAINED CONDITIONS DIFFER GREATLY STOP PESANT WILL MEET YOU IN NY NEXT WEEK TO REPORT AND ADJUST WITH YOU ACCORDINGLY"<sup>52</sup> Rionda replied with pique, "The meaning of this is rather obscure, especially as you did not reply to my inquiry about the quality of the lands."<sup>53</sup>

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<sup>50</sup> Asturians are not famous for their liberal tolerance of other peoples, including other regions of Spain.

<sup>51</sup> Rionda writes Juan Clark that he wants to know the opinion of "Mr. Menocal, the expert, as to the lands." MR to Juan Clark, March 21, 1899, BBC, Ser. 2..

<sup>52</sup> *Ibid.*

<sup>53</sup> *Ibid.*

In mid-April Rionda was still looking for an unbiased expert opinion to confirm his own convictions as to the suitability of the lands, and for an estate manager as well. John Craig had suggested he interview a Mr. Pérez for the position, but Philadelphia did not yet have the voice it was to assume in the following year; consequently Rionda was not in a position to show an immediate interest in Craig's nominee, even though it seems the man would have been willing to take the position at a minimal salary of \$4000.<sup>54</sup> And then too, with the advent of the rainy season, there was now really no need for an administrator until September at the earliest, since no clearing or planting could be done in the boggy soils that prevailed sometimes throughout October and beyond.

Discussions continued in regard to hiring Menocal. It was revealed that Gabriel was an older man and not in particularly good health. He had, however, a son, Serafín, who was also a sugar expert, and Rionda contemplated hiring the father on a temporary basis until the son was in a position to leave Nicaragua to join his father in Cuba. Before offering either man the job, however, Rionda felt it necessary to gain the approval of London (undoubtedly hoping to thereby draw Czarnikow into Francisco) and also, as a matter of form if nothing else, that of the Francisco's Board of Directors.<sup>55</sup>

A week later Rionda was still having doubts about Gabriel Menocal. He wrote to Pesant to see how he might feel about hiring Craig's man, Pérez, instead, pointing out the elder Menocal's age and

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<sup>54</sup>MR to J.F. Craig, April 12, 1899, BBC, Ser. 2.

<sup>55</sup> MR to Pesant, April 18, 1899, BBC, Ser. 2.

poor health and stating he “. . . would not care to have [the] place vacated by sudden death.”<sup>56</sup> It is apparent that Pesant continued to promote his candidate, for it was the elder Menocal who was finally offered the position of first estate manager at Francisco. Thus it is clear that as critical to the success of the operation as the manager was, Rionda considered it even more important to fully cooperate with Pesant whom he saw at that moment as his most likely benefactor. At the same time, the McCahan/Craig interests were steadily becoming more critical as they moved closer to Rionda, gradually increasing their commitment, which may explain Rionda's last-minute attempts to dissuade Pesant from insisting on Menocal. In any event, the choice was entirely ‘political,’ in modern usage, and as so often happens in such cases, the results reflected the process. In this instance, in adherence to our political analogy, Rionda not only chose the wrong candidate, he picked the wrong party as well.

Menocal was not to report to the estate until late in the summer, so Rionda continued his own inimitable, quizzical supervision through telegrams and letters. When frustrated by the inertia of events through the long rainy season, Manuel contented himself with speculative calculations of costs and returns. Informal and speculative though they are, these figures and notes begin to reveal Rionda's vision of a profound reordering of the relations of production which led to a blurring of the distinction between the colonia and administrative cane.

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<sup>56</sup> MR to Pesant, April 25, 1899, BBC, Ser. 2.

Statement Showing the Cost of Producing Sugar by the Francisco Sugar Company, With Full Details of the Cost of Cultivating the Cane, Yield of Cane and Sugar Acreage of Land, Cost of Producing One Pound of 96° Centrifugal Sugar, With the Cost of the Corresponding 89° Molasses Sugar, and Other Particulars Regarding the Development of the Company.<sup>57</sup>

Acreage: number acres to be planted with cane between May,  
1900 and October, 1900 = 1670  
1901/02 = 340  
by 1903/04 = 3000

Mr. Gabriel G. Menocal said these lands would yield 33 tons of 2240 pounds each of cane, therefore 1670 acres would yield 55,110 tons.

|                         |   |
|-------------------------|---|
| Capacity of Mill        | 1st crop (12/01-5/02) mill could grind 67,000 tons but in later years it would increase to 90, perhaps 100,000 tons of cane |
| Yield of Sugar per acre | Minimum at 7 1/2% 96° guaranteed (expect 8 1/2% +) 1% of 2nd sugars at 89°  |
| Cost of Manufacturing   | K&P guarantee not less than 30 cents per 100 pounds sugar and as capacity of the mill increases, the cost will decrease     |
| Cost of Sugar           | 1.2685 cents for centrifugals testing 96° and per pound .9514 cents for 2nds testing 89° all delivered to a U.S. port       |

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<sup>57</sup> BBC, Ser. 2., Letterbook 4, p.457. These figures, though not necessarily realistic, aside from what they begin to reveal about Rionda's vision of the new central, serve also as a basis for comparison to the actual results in the coming years.

Rionda's notes go on to say that he made no allowance for the cost of wood as "... wood is so plentiful on the Francisco Sugar Company's property that it will be necessary to burn the wood after it is cut, before planting, that being considered a cheaper method than hauling the wood and piling it up." It was expected that some of the wood could be salvaged for railway crossties and structural members. As will be seen, the cutting and burning operation did not work out as Rionda planned. Also note that at least some of the more valuable woods such as cedar and mahogany were pre-cut by Fluriach.

|                               |  |
|-------------------------------|--|
| Production Period             | minimum of 8-10 years without replanting   |
| Cost of Cultivation           | estimates vary from \$24 to \$36 per acre<br>\$36 is used in calculations. Allowance of<br>10% for decline in yield of cane but only<br>3000 acres of 17,000 acres is planted,<br>therefore and increase in acreage is<br>possible |
| Expected Approximate Results: | 1st year--\$215,000 gross proceeds of<br>production-129,000 costs \$86,000 net<br>profit on 1st year's crop  |

He then offers an explanation of the high profits noting that they would not be so great but that the company raises its own cane, as well as letting out lands “. . . as [is] usually done elsewhere to [sic] farmers and buying cane from them, paying in exchange from 4-6 tons [of sugar] per 100 tons of cane delivered.” In other words, Rionda was partly banking on the administration cane to boost profits over and above what they would be were all production dependent on the *colonos*, as had been typical of the larger ingenios over the past two decades. But he was starting to formulate another, even more important, method to maximize profits:

The Francisco Sugar Company, by attending to the agriculture as well as manufacturing part, will be having the cane at a little less than \$1 per ton, as against other estates paying from \$2 to \$4, according to the prices the farmers obtain for the percentage of sugar they receive from the mill in payment for the cane delivered.<sup>58</sup>

Although Rionda was to change his mind several times regarding the question of the *colonos*, he was contemplating an arrangement which would give the company much greater control over the *colonos* than had generally been the case. Not only would the company own the

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<sup>58</sup> *Ibid.*

land, but it would also furnish seed, draft animals, implements, and supplies to the *colonos*, supervising production according to the latest scientific methods with the option of buying the *colonos'* cane at a guaranteed minimum price. The *colonos* would supply only their labor. In other words, they would be *colonos* in name only, for in fact, they would have become proletarianized plantation labor.<sup>59</sup>

For the Francisco the late Spring and Summer of 1899 was a time adrift. The estate floated like a great galleon without sail on the calm Caribbean, but the eddies of swift fins stirred the waters. As Rionda become increasingly preoccupied with raising capital in the East, matters at Guayabal enervated. Doubt clouded every report; dark rumors made their way first to Havana and then all the way to New York. Was seed cane actually being planted? Were there serious boundary problems surrounding the Hato Viejo?<sup>60</sup> Had the land been previously contracted for?<sup>61</sup> And what was Salvador Fluriach really up to? Nebulous suspicions infected Rionda's thoughts. He wrote to various friends of his late brother in Cuba asking them to investigate

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<sup>59</sup> This approach to the colonato would appear to be in opposition to his other approach to the colonato in which he states that he prefers colonos of means. By the first method the Company takes responsibility for virtually everything in connection with production, whereas by the second method that responsibility is largely shifted to the colono, but with an attendant loss of control.

<sup>60</sup> There had been several boundary matters to settle, chiefly that of the boundary with a neighboring *finca*, Yaquimo, owned by a Señor Adán. Lawyers became involved and eventually Adán was offered stock in the Company as settlement. The major boundary dispute with the neighboring Fortuna property, La Esperanza, would occupy years of litigation.

<sup>61</sup> A rumor was circulated around Havana that the Hato Viejo had been leased, presumably by Francisco, to another party. MR to Fluriach, April 17, 1899, BBC, Ser. 2. Rionda protests "All has been pure gossip and withal scorn." MR to Fluriach, May 12, 1899, BBC, Ser. 2.

Fluriach.<sup>62</sup> He began to make inferences and then accusations. He accused Fluriach of acting dishonorably by attempting to build up a sugar estate of his own at the company's expense.<sup>63</sup> Yet Rionda was forced to correspond with Fluriach for a time as there was the matter of the seed cane planting and Fluriach's wood contract, which was still good for another five years<sup>64</sup>.

By April 12 Ramón was reported to have finished the clearing and burning of two *caballerías* and was preparing to sow the seed cane (*sembrar*) and clean. Rionda demanded that two more *caballerías* be done likewise, but Fluriach said that the water was already high and that anything else done would be undone. The cost of more clearing and planting would be inordinate under those conditions as it would require *sembrarlas á brazo*.<sup>65</sup>

Possibly Fluriach's cautionary advice was sound; on the other hand his thinking may have been influenced by the possibility of a future sale of seed cane to Rionda, for in the same letter he mentioned that he was planting one *caballería* and "un pico" on one

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<sup>62</sup> MR to I. Infante, April 18, 1899, BBC, Ser. 2. He also asks Infante to check on Menocal. see also MR to Juan Clark, April 21, 1899. At this time also negotiations with Pesant and Broder were rapidly deteriorating.

<sup>63</sup> He describes Fluriach as a crafty false friend who engages in malicious gossip concluding his comments with the words "Miserias humanas!" MR to Juan Clark, May 2, 1899, BBC, Ser. 2.

<sup>64</sup> Fluriach claimed that those years which elapsed while the war was still going on should not be counted against the time allowed since he could not cut wood during that time. If his claim is, in fact, true, there is no indication whether he was prevented from cutting by local insurgency, lack of labor, or disruption of trade.

<sup>65</sup> Fluriach to MR, April 12, 1899, BBC, Ser. 1. The meaning of this phrase is not entirely clear. We may speculate that he means planting by hand, but that is the way in which planting in the tumbas was generally done. He could also mean by brute force against the muddy conditions.



of his own *fincas*, "Santa Clara," outside of Santa Cruz del Sur. Thus he assured Rionda that more seed cane will be available the following year, but in the same breath hints at the surcharges which would be necessary to cover the cost of transporting it by boat to Guayabal.<sup>66</sup>

Fluriach also sold the company the seed cane needed for the immediate plantings, some of it coming from his *fincas* and the rest from Manzanillo at a cost of \$5 American gold for a *carreta* of 100 *arrobas*. He estimated that forty *carretas* would be needed. He offered to sell the future yield from one entire *caballería* on his finca Francés to the company at \$1100 American gold. It was at that point that Rionda's suspicions were further enflamed, and, in fact, there is circumstantial evidence that Fluriach was opportunistically neglecting his contract with the company in hopes of taking advantage of the need for additional seed cane when the time came.<sup>67</sup>

By early May Fluriach and Ramos had 30 mules and horses hauling seed cane and 18 men felling and burning the great trees at the edge of the forest. The trunks were too large to be sawed and moved so they had to be burned in place where possible. The two *caballerías* of newly planted seed cane were not all doing well, half of the cane having been planted during unusual rains in April "á fuerza de brazos" when the soil was wet, followed by several weeks of dry weather into May. The drought became severe enough to cause

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<sup>66</sup> *Ibid.*

<sup>67</sup> Fluriach to MR, April 25, 1899, BBC, Ser. 1. Fluriach claimed that his seed cane was cheaper than that from Manzanillo, where it sold for \$6.80 per 100 *arrobas*, and was at his price below the cost of production. Fluriach to MR, May 12, 1899.

much of the young cane to die, not only at Francisco, but in the Guayabal area in general.<sup>68</sup>

In May of 1899 Rionda encouraged two young men to travel to Guayabal to seek their fortunes. Will Ahern was the son of a long-time business associate of Manuel's, and his friend, Hugh Pollock, was British. Rionda typically took an avuncular interest in young men from families of old acquaintance, and, in addition, he very much desired someone on the place who would report back on the progress in planting and on conditions in general--or to be more accurate, in particular. Communications became routine by the end of the month and soon the young men learned that they were at Francisco to not only report back, but to act as novice administrators, as well. Immediately Rionda wanted them to see that the fields were fenced with barbed wire, that the wharf was repaired and wanted a full report on the seed cane; he also wanted to know how much it would cost to clear the entire 1700 acres which constituted the Hato Viejo, and asked Pollock to verify that good water could be found at ten to twelve feet ("... or is this local rumor."). The tools for clearing land and those for fixing the wharf were to be sent immediately.<sup>69</sup>

With the Philadelphia interests showing increasing support, Rionda was more eager than ever to push the development of the estate. The one fly in the ointment at this juncture was the Krajewski

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<sup>68</sup> This is the typical tantalizing false start to the rainy season which characterizes wet/dry climates and can be observed on the Florida peninsula as well. Fluriach claimed, however, that there had never before been a lack of rain in May: "... nunca había pasado el mes de Mayo sin llover, y este año parece castigo de Dios." (trans: "... never before has the month of May passed without rain, and this year it seems that to be a punishment from God."). *Ibid.* and Fluriach to MR, May 24, 1899, BBC, Ser. 1.

<sup>69</sup> MR to Hugh Pollock, May 27, 1899, BBC, Ser. 2.

& Pesant contract which now appeared to be dying a slow death. As a result, Rionda had to think about the prospect of a sugar estate temporarily without a mill, or what to do with eight million arrobas of cane he hoped to have produced by the Spring of 1901. His plan was to tie the cane in bundles the size of cartloads like bales of cotton and load them onto barges to be towed by steam tug to one of the centrales in Manzanillo. The factory was built in time to grind the available cane, thus Manuel never had the chance to test his scheme, but the plan does reveal that Rionda thought not only about business and finance, but spent much time thinking of practical solutions to the physical problems involved in running the estate: "By buying fifty cows, as the pastures are good, we might raise in four or five years some good oxen for the plantation."<sup>70</sup> Rionda often recalled the years he had spent at Central China where he had learned something about growing and grinding cane, though he always professed to utter ignorance on both subjects.

At first Ahern and Pollock devoted themselves enthusiastically to the work at hand, initiating new projects and suggesting alternative ways of accomplishing others. By early June the young men were talking of driving new pilings for the wharf. Rionda, however, demurred, as \$5 per piling was too much: "Once we get oxen we can get them out of our own land." Rionda planned to erect a sawmill, claiming that he could find a good man in the U.S. to go down and run it for \$2 a day. He also declined the young men's suggestion that they get cattle right away, saying that they would be

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<sup>70</sup> MR to J.F. Craig, June 4, 1899, BBC, Ser. 2.

stolen as the place was not yet settled. Parsimonious though he was as to pilings, with cane it was a different story, for he urged Ahern to see that Ramos got the two *caballerías* planted immediately, no matter the cost, adding that it should be done “. . . shortly before a shower.” With wage labor, however, Rionda was strict: he admonished Ahern to see that the men were not paid more than \$1.20 Spanish silver a day unless absolutely necessary.<sup>71</sup>

Rionda, always anxious to receive other's opinions of the property, asked Ahern for “. . . impressions . . . of the woods, especially as to what you think of raising cattle and pigs and other kinds of animals.”<sup>72</sup> Reflecting his concern about cattle thieves and/or ranging cattle wandering into cane fields, he suggests fencing in 300 to 400 acres with barbed wire for a pasture. “I think,” he states, “something of that kind was done before the war, on the west

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<sup>71</sup> MR to W.J. Ahern, June 9, 1899, BBC, Ser. 2. Silver had been consistently over-valued in relation to gold by the colonial government through the last three decades of the 19th century and thus had suffered severely from inflationary depreciation. Its value had changed little during the first year of occupation, probably most especially in a remote place such as Guayabal. According to correspondence in the Braga Brothers Collection, in 1899, \$100 Spanish Gold was equal to \$646 Spanish Silver. MR to W.J. Ahern, August 25, 1899, BBC, Ser. 2. For a discussion of monetary values in the last years of the colonial regime see Susan J. Fernández, Banking, Credit, and Colonial Finance in Cuba, 1878-1895, Ann Arbor, Michigan: U.M.I. Dissertation Services, 1987. See also José R. Alvarez Díaz, et al., Cuban Economic Research Project. A Study on Cuba, University of Miami Publications in Business and Economics, No. 8. Coral Gables: University of Miami Press, 1965, pp. 94-96 for a synopsis of colonial monetary values in relation to sugar prices for the price crisis of the 1880s. For a summary of the monetary situation under the occupation, see Wood, Leonard. Civil Report of Major General, Military Governor of Cuba, 1900, 1901-1902, Report for 1900, (8 Vol.), (Vol. 5) Report of Major E.F. Ladd, Treasurer of the Island of Cuba, pp. 11-13. After the break with Spain, the Cuban peso was tied directly to the dollar, and dollars themselves were accepted currency.

<sup>72</sup> *Ibid.* (Ahern) Perhaps Rionda was thinking of supplying the estate's viands from estate-grown animals, and thus avoiding the transportation costs from the mainland, which would in turn make meat cheaper and allow him to pay workers less. The company may have embarked on a similar scheme in 1919, but only with vegetables.

side of the property, going towards the north . . . ." As if entertaining a vicarious Robinson Crusoe fantasy, Rionda was anxious for Ahern to live close to the land so as to come to know it intimately, while spending as little money as possible on the amenities of civilization: he was displeased that Ahern had ". . . hired a house in town. I think it would have been better", he avered, "if you had built a hut in the woods."<sup>73</sup>

Rionda realized that for a project of this size a great variety of tools would be required and in ample numbers. He ordered the closely allied commission house of Gillespie Brothers of Brooklyn, who saw to all U.S. purchased commissarial needs at Francisco, to send by the next steamer the following tools:<sup>74</sup>

- 6 saws(*sierras*)
- 1 doz. cart hooks (*ganchos p<sup>a</sup> carretas*)
- 1 doz. log chains (*cadenas p<sup>a</sup> troncos madera*)
- 1 stump puller (*extraedor de troncos*)
- 10 grinding stones (*piedras de amolar*)
- 6 doz. axes (*hachas*)
- 4 doz. machetes
- 1 doz. mattocks (*azadones*)
- 2 doz picks (*picas*)
- 1 doz. shovels (*palas*)
- 1/2 doz. wedges (*cuñas*)
- 1/2 doz. sledges (*mandarrías*)
- ax handles (*mangos de hachas*)
- 1 keg assorted nails (*cuñete clavos*)

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<sup>73</sup> *Ibid.* Ahern did eventually build a hut in the woods, while Pollock lived on the sea.

<sup>74</sup> Rionda's nephew, Bernardo Braga, was an agent with this firm, his Uncle Pancho having gotten him the job before the war. During the years immediately after the war, he did an excellent business with Cuba supplying lumber and provisions and earning as much as \$5000 annually, which he dutifully turned over to the family to help with the start-up expenses of Francisco and other family enterprises. Gillespie Brothers were headquartered in London and may have had ties with Czarnikow, MacDougall, Inc.

1/4 doz. hammers (*martillos*)  
 1 coil of rope (*rollo de sogá*)  
 12 adzes (*azuélas*)<sup>75</sup>

With the tools came strict instructions for their accounting: when a tool was given out for use, the workman had to sign a receipt for it. Although he did not so state, the implication was that if a tool was lost (and possibly broken) its value would be subtracted from the workman's pay. Rionda went on to say, "Keep stock of the tools so that at any time it can be known exactly where each one is. If anything is broken the pieces should be returned to you." Small statements (forms) would be sent out weekly and monthly from New York on which would be reported tool use, "... wages, etc., etc.." Thus did young Will Ahern become the first *de facto* administrator of Francisco.<sup>76</sup>

By late in the month the young manager was subjected to his first scoldings: Rionda was getting too few reports. In addition, Manuel questioned Ahern's assumption that 150 men would be required to clear one *caballería* in one day. He did approve of Ahern's idea of bringing in Texas cattle and horses as well as orange trees to plant on the estate and also that of the young men setting aside four *caballerías* to cultivate for themselves. He offered a word of caution which may shed light on the consciousness of North American capital in Cuba at this time respecting a good public image:

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<sup>75</sup> *Ibid.* Axes cost \$1.50 and machetes 90 cents delivered to Guayabal. MR to Gabriel Menocal, July 11, 1899, BBC, Ser. 2.

<sup>76</sup> *Ibid.*

A great deal is said here about the dissatisfaction on the part of Cubans and of anticipating troubles. You should be very careful on this point not to side with either party. What we want to be is popular.<sup>77</sup>

On June 28th Rionda wrote Gabriel Menocal and offered him \$300 American gold per month for the first five months, at the end of which time his contract was to be reviewed and another offer made to his son Serafín of \$4500 annual salary plus five percent of the net profit of the company. He described his various plans for the estate saying that as of that time the company planned to do all its own planting and cultivating, but if he (Menocal) knew of a good person who might wish to become a *colono* of the property, he (Rionda) would have no objections to such a plan if that person agreed to sell his cane at \$2 per 100 arrobas delivered to the conductor. The company would not give sugar in payment for cane saying, "This form of payment we should reject entirely." Rionda went on to say

And before accepting a single *colono* on the place, we must have more security as these are good people, trustworthy and useful, then neither do I want viejos who when help is needed on the place are totally uncooperative, as is the case at many mills on the Island.

Menocal would be allowed to start hiring help, but Rionda suggests that he hire only local people

. . . because I feel that these people are well known and have family in the neighborhood into which you are entering, and doubtless would give better results than if they had come from Havana. I still insist that this should be your criterion.<sup>78</sup>

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<sup>77</sup> MR to W.J. Ahern, June 20, 1899, BBC, Ser. 2. The entire year was a tumultuous one all over Cuba. Dock workers in Cárdenas, Regla, and Havana struck in January leading to the formation of the Liga General de Trabajadores de Cuba under the leadership of the anarchist Enrique Messonier. More strikes followed in most of the major industries. For a discussion of these movements see Thomas, 1971, p. 442.

<sup>78</sup> " . . . porque siendo ellos bien conocidos y relacionados con el vecindario en que U. va á entrar, sin duda ninguna le darán mejor resultados que si los llévase de la Habana. Este

He went on to lecture Menocal on his favorite topic, strictness in economy: "In this manner, it is economy that makes a successful business."<sup>79</sup>

If drought reigned on the Island in the summer of '99, its rule was at least temporarily punctuated at Guayabal that July. Ramos reported the new seed cane to be sprouting well and all reports were of heavy rains--too heavy, in fact, to do any more clearing. Thus it was confirmed that there was no need for Menocal to go to Guayabal until September. Ahern and Pollock sought ways to fill the hours as the afternoon rains drenched the muddy roads and fields and beat upon the rusted tin roofs of Guayabal. They schemed to profit by the vast quantities of standing timber on the place--and drank.

As Ahern continued to press his interest in the timber business, Rionda sent him a report from an unidentified wood dealer in Cienfuegos on the possibilities of timber exports from Cuba. The report states that cutting began in October at the conclusion of the rainy season and centered on the logging of cedar (Spanish cedar) and mahogany for export to Europe and New York where such wood ". . . commands the highest prices." In addition, the report states that at that time there was a high demand in Cuba for hardwood for railroad ties and wharf pilings, especially that known as *Jucaro*. The writer predicted that over one million railroad ties would be sold over the following year at an average price of \$1 each for an average profit of 10 cents, and that pilings would yield a profit of 200

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punto lo dejo también al buen criterio de U." MR to Gabriel Menocal, June 28, 1899, BBC, Ser. 2. See the discussion in the conclusions for some possible implications of this dictum.

<sup>79</sup> *Ibid.*



percent.<sup>80</sup> All the Cuban railroads needed ties as well as the private sugar estates for their lines as “. . . none were replaced during the last four years of war.”<sup>81</sup>

Ahern reported that Guayabal was growing and was up to 480 inhabitants. Rionda told him that he was glad that Guayabal was doing well and that he wanted to start a store at Francisco and charge lower prices than Ramos and the other store keepers in the pueblo.<sup>82</sup>

Ahern also reported that there were opportunities to enjoy savings on various materials and provisions that were needed at Francisco by buying such goods from the U.S. army quartermasters who brought them in supposedly for military use and sold them to the local population far below locally prevailing prices. Manuel responded vehemently saying that the US Army was “. . . practically doing as much contraband as the Spaniards, and more so. I don't want to be a party to anything of that kind. Everything that we introduce shall pay the regular duty.”

Ahern and Pollock continued to bombard Rionda with ideas and requests. Ahern asked permission to contract with Menocal when he arrived to clear five to ten *caballerías*; Rionda approved. They were cutting railway ties from the abundant wood supplies for the future rail line from the batey to the wharf. The young men wanted a little

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<sup>80</sup> In December, 1899 Ahern reported that he could make narrow-gauge ties (5"X 5" X 5") at 15 cents and standard-gauge ties at 30 cents. W.J.. Ahern to MR, December 26, 1899, BBC, Ser. 2.

<sup>81</sup> BBC, Ser. 2., Letterbook 5, p. 360.

<sup>82</sup> MR to W.J. Ahern, July 28, 1899, BBC, Ser. 2.

capital to get started growing vegetables which Manuel said he would talk to them about when he came down. Finally they made one too many requests, and an exasperated Rionda replied, "I will get you the shotgun and also the carpenter's tool box, but as to the fishing boat, I don't think we have gone to Guayabal for fish but for sugar cane."<sup>83</sup>

Manuel's friend Juan Clark shared his interest and enthusiasm for the Francisco. He sketched out a rough plan of the estate which was probably a synthesis of both his and Rionda's ideas. Manuel specified those features he most liked, which included, first, that each of the *colonos* have a proportion of the land near the batey and, second, that the *guarda rayas* were so constructed as to allow easy passage of the *carretas* through the fields and thus prevent the destruction of much cane bordering the lanes, as was often the case.<sup>84</sup>

In August Rionda came to an agreement with Fluriach concerning the wood contract. He extended the contract for two years in consideration for either \$5000 in Cuban-American stock less than what Fluriach was due to receive as settlement of the lien he had on the property from Pancho's days, or a cash settlement of 3000 pesos; Fluriach may have been convinced to settle in cash as Rionda seems to be endorsing the stock from his elevated Wall Street vantage point as to its appreciating value based on the rising value of the land.

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<sup>83</sup> *Ibid.*

<sup>84</sup> MR to Gabriel Menocal, August 1, 1899, BBC, Ser. 2.

"These backers want to have the matter of stock definitely settled because with so much being written and said about annexation the value of property in Cuba rises every day . . ."85

His contract having been extended, Fluriach theatrically proclaimed with obsequious resolve that now he could go to work, having been granted two to three more years of labor on the land.<sup>86</sup>

Writing to John Craig in early August, Rionda declares resoundingly, "If the cane comes up and is growing by June 1900, then all our difficulties are over." adding, "with 35,000 bags of cane, the matter of machinery and a railroad is easy--if by then Cuba has a reciprocity treaty, we may have very good results."<sup>87</sup> But for a June crop of that magnitude there had to be a large supply of seed cane and within days Rionda had received bad news on that score: much of the seed cane, it was reported, had failed due to the drought and poor planting techniques. Rionda insisted that it be replanted even though it was by then too late in the season. In addition, Ahern and Pollock reported that part of the fence line enclosing the first *caballería* had been knocked down (presumably by wild cattle or hogs) and that a portion of the seed cane had been destroyed. Rionda was furious that he had not been cabled about the incident

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85 "Estos señores de la Empresa quieren tener el punto de acciones definitivamente arreglado porque con lo mucho que se escribe y se habla acerca de anexión y de mejor valor cada día de la propiedad en Cuba . . . ." MR to Fluriach, August 2, 1899, BBC, Ser. 2. Later, reassuring Fluriach of the worth of his stock in the Cuban American Sugar & Land Co., Rionda concludes with: "Con anexión ó sin ella, siempre habrá un tratado con Cuba que favorezca el azúcar de la Isla en este mercado y en cuanto a pensar en el fracaso del Central es ir demasiado lejos." (trans: "With annexation or without it, Cuban sugar will always be favored in this market [U.S.] and when we think of the debacle of the mill, it will seem so far away."). MR to Fluriach, August, 25, 1899, BBC, Ser. 2. Rionda was precisely correct.

86 *Ibid.*

87 MR to J.F. Craig, August 8, 1899, BBC, Ser. 2.

immediately saying "I am most anxious about that cane as it will be the basis of whatever operations we make in the future."<sup>88</sup>

Cane was the basis of the operation, but without good draft animals a Cuban sugar estate could not function, and this was true far into the twentieth century. In the eighteenth century oxen and a few mules had been used to drive the sweeps of the trapiche, along with many other duties, but by mid-century and the advent of steam, on most ingenios oxen were limited to the agricultural component of sugar production, their chief duties being to drag the iron, mould-board plows through the heavy soils and to pull the creaking *carretas* up and down the *guardarayas* hauling the cane to the conductor or the nearest rail line. Around 300 oxen were needed on a plantation of the size to which Francisco was to grow<sup>89</sup>.

Although there was as yet no cane to haul at Francisco, there was plenty of other work for these willing beasts. They were particularly needed at this stage to drag the huge logs across the clearings to be piled and burned or set aside for later use as pilings, telegraph poles or to be sawed into lumber.<sup>90</sup> It is not surprising, therefore, that cattle, and oxen in particular, were objects of much discussion.

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<sup>88</sup> MR to Menocal, August 11, 1899 and MR to W.J. Ahern and Hugh Pollock, August 11, 1899, BBC, Ser. 2.

<sup>89</sup> Lindsay, Forbes. Cuba and Her People Today. Boston: L.C. Page & Co., 1911. p. 237.

<sup>90</sup> By October Rionda was planning a telegraph line direct to the outside world. Such communication would serve not only as means of sending instructions, receiving crop reports and orders for needed goods, but also could be used to alert the guardas rurales in case of labor troubles. He warned Menocal not to permit the destruction of valuable hardwoods as they could be used as telegraph poles. MR to Menocal, October 14, 1899, BBC, Ser. 2.

In 1899 oxen and draft animals generally were in extremely short supply. Perhaps hundreds of thousands had been slaughtered by both sides during the long war of attrition.<sup>91</sup> As a result, the price of a yoke of oxen was high. Rionda negotiated with a man in Cienfuegos to buy 70 yoke of good cattle (oxen) which had been raised in the Cienfuegos area and were therefore acclimatized to the lowland tropical environment of Guayabal.<sup>92</sup> "I think that by the end of the next month [September] we will have them here, which will give enough time to train them," he told Menocal.<sup>93</sup> Next month was apparently not soon enough, however, as Ahern asked permission to rent oxen at \$1 per day--permission promptly refused.<sup>94</sup>

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<sup>91</sup> Louis A. Pérez, Jr. claims that the overall cattle population in Cuba was reduced from 3,000,000 to 200,000. Cuba: Between Reform and Revolution. New York: Oxford University Press, 1988. Oxen suffered proportionately: "Oxen are very scarce in Cuba now, all the sugar estates are working with very few, just sufficient to cart the cane to the mills. MR to F.W. Colwell, February 1, 1900, BBC, Ser. 2.

<sup>92</sup> MR to Menocal, August 4, 1899, BBC, Ser. 2. Rionda was in general highly solicitous of the oxen. On a number of occasions he warned his managers not to mistreat them or overtire them in the fields. When time came to make the big push to plant the remainder of the seed cane, however, we must recall his quote ". . . even if we must sacrifice some of the oxen." MR to McCahan, June 15, 1899. See also MR to Coma, April 28, 1900 and MR to Coma, June 11, 1900, BBC, Ser. 2. Atkins wrote that he had had over 1000 head of cattle plus several hundred working oxen at Soledad (near Cienfuegos) in January of 1900, reportedly some of the finest in Cuba. Edwin F. Atkins, Sixty Years in Cuba. Cambridge, Massachusetts: Riverside Press, 1926.

<sup>93</sup> MR to Menocal, August 25, 1899, BBC, Ser. 2. He also negotiated with Ignacio Larrondo at Sagua for oxen which had been acclimatized for two months at pasture possibly indicating that they had been imported from abroad, a fairly likely possibility given the dearth of oxen in Cuba. In the Fall the Cuban Occupational Government extended the privilege of duty-free cattle entry to the port of Santa Cruz del Sur, from whence Rionda planned to walk them to the estate. MR to Fluriach, October 6, 1899, and MR to Coma, March 17, 1900, BBC, Ser. 2. Some of these oxen may have been intended for Tuinucu. MR to Pedro Alonso, September 11, 1899, BBC, Ser. 2. The market price for oxen was around \$100 per team. MR to Juan Clark, September, 12, 1899, BBC, Ser. 2.

<sup>94</sup> MR to W.J. Ahern, August 26, 1899, BBC, Ser. 2.

In the absence of oxen the heavy hauling and dragging must have been done by the few horses available, if not by human labor. The great *caudrillas* were not yet at work on Francisco--that was to come with the full backing of the Philadelphia interests--but on average 20 to 30 men cut down trees, cleared brush, dragged timber, and burned. Others drove oxen-drawn *carretas* of seed cane into the tumbas, unloading the cane for planting. Yet another crew dug holes for cane with sharpened poles or crow bars, planting it randomly among the fallen trunks and branches. In the more open places men may have driven teams of oxen pulling the big turning plows through the thick tangle of roots and branches that lay half-buried across the freshly cleared ground, all the while skirting about the great stumps and logs that were too large to move and too green to burn.<sup>95</sup>

Hugh Pollock, working among these men, was brash enough to claim that they could not live on the \$1.20 Spanish silver per day that was their wage. Rionda responded that he considered that wage "excessive," and stated that, "On the north side of Cuba the highest wages are from 60 to 70 cents Spanish silver today."<sup>96</sup> The men were paid daily at their own insistence, and while he had resisted those demands at first, in dealing with his backers, he found that he could

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<sup>95</sup> During this period of sugar expansion generally no plowing was done in the tumbas. Earle, *Sugar Cane*, p. 205.

<sup>96</sup> MR to Ahern and Pollock, August 11. It would seem likely that the cost of living on the more developed north side of the Island would have been less than at Guayabal where nearly all goods including most foodstuffs would have had to have been brought in by boat or over the still poor roads of the interior. A comparison of the cost of goods at Rionda's other sugar estates, Tuinucu, and later Manatí, could be productive.

use them to his own advantage: ". . . Cuban laborers want and need the pay as soon as the day's work is done!"<sup>97</sup>

Disease was an inevitability given the conditions which prevailed on the nineteenth-century tropical plantation. For the patron, whether slave master or wage-paying capitalist, efforts to prevent or ameliorate disease offered an opportunity to combine humanitarian and mercenary interests, as sickness and death among the labor force were antithetical to both. Rionda frequently made reference to the possibility of disease and took some preventative measures. He paid passing tribute to the germ theory by forbidding the men to make encampments exceeding 25 persons. Presumably on the basis of circumstantial evidence, he associated disease with the destruction of the forest. "I want to avoid sickness which often happens when you clear large tracts of lands and too many men gather in one place . . ."<sup>98</sup>

Diet would obviously have had a significant effect on the health of the labor force. Judging from the record it would appear that the workers' choice of foodstuffs was limited only by their means, which was a severe limitation to say the least. "I note," writes Rionda, "that

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<sup>97</sup> In other words, Rionda needed his operating expenses immediately and on schedule. MR to J. F. Craig, August 16, 1899, BBC, Ser. 2.

<sup>98</sup> In describing the progress at Francisco to Craig, Rionda says he hopes there is no sickness among the laborers. MR to J. F. Craig, August 8, 1899, BBC, Ser. 2. He also states that, "on account of cutting the forest there may be produced some fevers--it would be bad to spread them." One is tempted here to associate African belief systems with this sort of attitude, but Rionda never spent enough time in Cuba to absorb any such attitudes. All of which is not to say that there may not be a high correlation between tropical forest clearing and disease simply on the basis of the massive destruction of the ecosystem and the resulting imbalance among predator and prey. Mosquito populations, for example, may have temporarily exploded in a disturbed environment of this type, or the cause may simply have been the exposure of so many human beings under stressful conditions to the forest itself. MR to Menocal, August 4, 1899.

rice, coffee, lard, tobacco, potatoes, beans, and onions, and jerked beef are what is most desired. I think that if there is a vessel going to Manzanillo soon we will send a small shipment, so that workmen can be provided direct from us at cheaper prices."<sup>99</sup>

Whereas some of the workers in the early days of Francisco undoubtedly came from various towns in the interior as well as the nearby coastal towns of Santa Cruz del Sur and Manzanillo, others must have come forth from the sixty or so *sitios* in and around Guayabal. These had apparently sprung up helter skelter over the years innocent of property boundaries, deeds and titles. As all of the town was encompassed within the company lands, Rionda saw an opportunity to generate additional income through *rentas por sitios*. Rionda declared that from January 1900 on, he planned to collect rents. "Up till now, everyone has wanted to build houses in Guayabal without paying for the land; but from 1900 on, there will be more order--make a survey of all the sites and houses in order to form an idea of what we ought to collect."<sup>100</sup>

Menocal had not yet made his way from Havana to Guayabal, and once again, without resident leadership to give on-the-spot direction and purpose to the languishing operation, the atmosphere at the estate turned discordant. Ahern became embroiled in a dispute with Ramos over his account at the *tienda*, claiming that Ramos' prices for stores were too high. The balance of the account

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<sup>99</sup> MR to W.J. Ahern and H. Pollock, August 11.

<sup>100</sup> *Ibid.*



was about \$300 dollars, not a negligible sum for the day.<sup>101</sup> Rionda was losing patience with his two protégés and his chastening letters turned ever more severe. By mid-August the two had had enough and resigned their connection with Francisco, saying there was not enough room for them at Guayabal.<sup>102</sup> Manuel was upset by their resignations, refusing to except Ahern's decision, and urging him to stick it out until October when Rionda planned to go to Cuba. He even offered Ahern a *colonia* of four to five *caballerías* which he said he would personally share with him on a 70/30 basis. The pair relented.<sup>103</sup>

Despite the bad blood that had existed between Rionda and Fluriach, at least on Manuel's side, Rionda, the businessman, could not ignore the advantages of a working relationship with Salvador Fluriach. He told Ahern that he was thinking of allowing Fluriach a *colonia* of 20 to 25 *caballerías*, as "He is a man of a great deal of influence on the spot, has capital of his own, and would be a great acquisition for the company."<sup>104</sup> According to Rionda, he and Fluriach

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<sup>101</sup> MR to W.J. Ahern, August 4, 1899, BBC, Ser. 2. The sum of \$300 in 1899 would equal approximately \$1500 in 1994 prices given an annual average rate of inflation of around five percent.

<sup>102</sup> MR to Pollock, August 18, 1899, BBC, Ser. 2.

<sup>103</sup> MR to W.J. Ahern, August 18, 1899, BBC, Ser. 2.

<sup>104</sup> *Ibid.* "In Cuba, as you know, cane is never bought, but sugar is given in exchange . . . I don't want to do that, because if the price of sugar goes up, the colono has an unequal advantage. At \$2.00 per 100 arrobas the farmer would make a handsome profit." MR to J.F. Craig, August 18, 1899, BBC, Ser. 2.

The conditions Rionda offered Fluriach for a 20 caballería colonia were as follows:

1. The Company advances \$400 per caballería to pay in that proportion whatever it will be necessary to do.
2. Free land for 10 yrs

had agreed on a price of \$1.75 per 100 arrobas of cane and Rionda claimed that at that rate, Ahern, were he to take up Rionda's offer, could clear \$1000 per *caballería*.<sup>105</sup>

Rionda continued to quiz Ahern in regard to the activities of the laborers, wanting to know what kind of work they were doing and also questioning him about a list of stores in which he noticed an item for \$1.50 for goods (boots) for workmen and also sundries for workmen at \$200, and \$1.50: "I take it for granted that whenever you advance money to a workman in that way you deduct it from his salary at the settlement at the end of the week, or whenever you have the settlement with him."<sup>106</sup>

3. The Company will pay \$1.75, in effect, per 100 arrobas of cane placed on the conductor. Supposing that the land produces 100,000 arrobas of cane per *caballería* and that each cab costs \$1000, then only by planting, you still have a good profit.

4. The anticipated pay, as you indicated, will be discounted 50 centavos for hauling the cane-

5. The seed cane, in case of failure, is to be procured by you at your cost from where ever you find it most convenient.

6. The land that you take will be designated two [*caballerías*?] for Mr. Menocal, who has plans which I wish to carry out respecting the batey, the colonias, and so forth - and a point in regard to the colonias, my proposition is for each colono to have a proportional and equal amount of land around the batey, dividing the estate into strips/bands of land that radiate from the center of the batey to the far reaches of the estate. Thus remains a good planting form for the Estate and equal distribution of the land.

All those matters relative to your colonia will be, as I have said before, [be handled by] Mr. Menocal humbly, who is the representative of the Company there. He determines when to cut and haul the cane as the administrator and director -- which of the cane fields are to be cut first, etc. -- in a word, all the details that are relative to the colonias.

<sup>105</sup> *Ibid.* At this point Rionda practically begged Ahern to remain, either because of family connections or because he desperately wanted someone there to keep an eye on Fluriach until Menocal's arrival; nevertheless, he is soon preaching to Ahern about writing on thick Spanish paper and only on one side thus requiring more stamps.

<sup>106</sup> *Ibid.* This statement would seem to indicate that workers may have been paid weekly rather than daily. We find, however, a statement from Rionda made two months later in which he says "Cubans are in such need of money that no sooner they do one day's work

Manuel Rionda's new venture began to attract some small notice in the Cuban press. Rionda expressed his distaste for notoriety to Juan Clark, dismissing newspapers as "food for fools."<sup>107</sup> He took a rather different attitude, however, toward the article in *Nuevo País* on the Cuban-American Sugar and Land Company. The article connected Salvador Fluriach with the enterprise, notice which met with the approval of Rionda. Writing to Fluriach, he told him that it was good for the company to be associated with his "popular name."<sup>108</sup>

The Francisco Sugar Company's first official administrator, Gabriel Menocal, arrived at Guayabal sometime around August 18, 1899. "I see that Mr. Menocal is now on the spot and I hope things will be pleasanter." Rionda remarks hopefully.<sup>109</sup> Menocal was impressed by the lands, especially on the north side of the property.<sup>110</sup> He reported that the drought had returned in full force to the southeastern coast, however, and Rionda exclaimed "In other

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they want their pay -- I don't blame them!" MR to W.J. Craig, October 20, 1899, BBC, Ser. 2. This quote would also indicate that despite the very low wages and the need for some sort of outside subsistence, a cash economy was well-established at Guayabal in 1899, at least among this proletarianized sector of the population.

<sup>107</sup> MR to Juan Clark, August 25, 1899, BBC, Ser. 2.

<sup>108</sup> MR to Fluriach, August 25, 1899, BBC, Ser. 2. There seemed to be much discussion of the project: "Cuban people are if anything very curious - Mosle sent today to me inquiring about the Cuban American Sugar and Land Co.!! Before the baby is born or is doing any mischief or good they want to know his habits!!" MR to J.F. Craig, August 18, BBC, Ser. 2.

<sup>109</sup> MR to W.J. Ahern, August 25, 1899, BBC, Ser. 2. The Cuban press noted the event as a Juan Clark sent Rionda a clipping from an unidentified paper.

<sup>110</sup> MR to J.F. Craig, September 14, 1899, BBC, Ser. 2.

districts of Cuba they are reporting rain and I hope to God that there will be some there also! <sup>111</sup>

One of Menocal's first duties was to arrange an agreement with the Guayabal residents regarding the collection of the *rentas de sitio*. Menocal was apparently successful in this, at least so far as Rionda was concerned.

I am quite comfortable with the action you have taken with them: I don't like violence except in moderation and justice. Though not having read the documents that were sent me, it being a copy of the contract that is going to be made with the sitieros, but by what you said in your letter, I think that it has my approval.<sup>112</sup>

This first, isolated reference to violence can only mean that at Guayabal there existed a tension and a potential for violent conflict that the record does not otherwise indicate at this early date. And further, Rionda's tone suggests a chilling familiarity with violence--an instrument, it would seem, that Rionda hones and applies when necessary--when "just."

Despite Rionda's concerns about disease among the labor force, he is slow to acquiesce to requests that a doctor be brought to Guayabal. Menocal, perhaps as concerned about his own frail health as that of the workers, attempted to make arrangements to bring in a Doctor Angel Suárez from an interior town, at least on a consulting basis if not full time. Rionda instantly rejected the idea saying it was too early to go to that expense. Like a relenting parent, however,

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<sup>111</sup> MR to Menocal, September 5, 1899, BBC, Ser. 2.

<sup>112</sup> *Ibid.*

Rionda has second thoughts and agreed to hire Suárez, but for not more than \$200 to \$300 per month and “not just yet.”<sup>113</sup>

One of Rionda's many concerns regarding the establishment of Francisco was the availability of water. He began talking of wells almost from the time of his first visit, and now with a manager on the scene, he pushed hard for immediate well digging. There were a few shallow wells scattered about the property, but a sugar factory requires a large amount of fairly pure water to create the steam to drive the machinery and to process the *guarapo* within the vacuum pans, triple effects, defacators, and other sugar house purifying devices. For that reason, the location of the batey, the heart of a sugar estate, was predicated on locating good water from a reliable well that would not draw down with heavy pumping. By October a well had been dug by hand (the well-drilling machinery not having arrived) 15 *varas*, or about 45 feet deep.<sup>114</sup> Rionda was ecstatic that good, pure water was reportedly found and immediately began giving detailed instructions to Menocal as to how to fit out the well.<sup>115</sup> Unfortunately, the well proved to be a disappointment and within months a water crisis was to ensue.

The oxen had been delayed by what Rionda referred to as the stupidity of the seller, Larrondo, and as a result cleaning and planting of the few *caballerías* that had been cleared could not yet proceed as planned. Though Menocal suggested a few oxen could be

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<sup>113</sup> MR to Menocal, October 4, 1899, BBC, Ser. 2.

<sup>114</sup> MR to Fluriach, October 4, 1899, BBC, Ser. 2.

<sup>115</sup> MR to Menocal, October 6, 1899, BBC, Ser. 2.

had from Fluriach, Rionda told him to wait until November (by which time the oxen would be there) to plant.<sup>116</sup> An alternative plan was to continue to contract for the clearing and planting; Menocal presented the names of two men who wanted the job. Rionda's reaction was negative: "Who are these men?" he wanted to know, adding that, "the first thing is to know the people you do business with." He also rejected the price of \$1300 per *caballería*, stating that \$1100 Spanish gold was the most he would pay. Further, he wanted to know the ways and means these men planned to use to do the clearing and planting and how they planned to judge the quality of the wood. Finally, he did not like the idea of these men opening up a store on the place and wanted Menocal to back out of any agreement to that effect if possible, and if not, they could have their store for the workers off the premises and the company would have its store on the plantation.<sup>117</sup> Señores Chávez and Morena came back with an offer to clear and plant the 1670 acres for \$60,000 (about \$1209 per *caballería*), but Rionda responded by backing off his \$1100 figure down to an even \$1000. An agreement was reached with Ramos and another local man, Millinais, and the clearing and planting proceeded apace.<sup>118</sup> By October 20th 80 men were at work clearing the forest, and Menocal was looking for more. Fluriach was supplying the \$2000 cash needed to meet the weekly payroll for which he was

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<sup>116</sup> MR to Menocal, October 11, 1899, BBC, Ser. 2.

<sup>117</sup> *Ibid.*

<sup>118</sup> These bids apparently included the cost of the seed cane. Ramos and Millinais reportedly lost money on the contract. W.J. Ahern to MR, December 26.

reimbursed by the company.<sup>119</sup> Rionda estimated that the rough clearing should not cost more than \$300 per *caballería*, and Menocal was instructed to make it so.

Despite the low wages the company offered its workers, and indirectly the contract labor, Rionda was full of good feeling for the people. Concerned about high food costs in Guayabal and profiteering contractors and store owners (no doubt desiring to keep food costs low in order to avoid demands for higher wages), he said he wished

. . . to show the Cuban people, specially those in Guayabal, that our policy is going to be a liberal one, and we mean to help all those connected with us. I have already shipped per this week's steamer some articles such as lard pork, beans, and other items used in Cuba. Bought from Gillespie Brothers at 1% who ship--passed it on to contractors at cost!"<sup>120</sup>

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<sup>119</sup> MR to Menocal, October 20, 1899, BBC, Ser. 2. If the entire \$2000 were divided among the 80 men, each man would have been earning \$25 per week, or if they worked a six day week, \$4.17 per day. Given all other wage figures, such a rate would have been about four times the expected. Possibly some part of the \$2000 was budgeted for other expenses, or this may be \$2000 Spanish silver which would be equal to about \$310 Spanish gold. If one US dollar was equal to one Spanish gold piece, the average daily wage would then have been about 65 cents, which is close to the figure Rionda mentioned as being the average on the north side of the Island and about half of what workers at Francisco had been earning earlier in the year. It was later reported that the men were making \$1 Spanish silver per day which may be interpreted as one U.S. dollar's worth of Spanish silver, or six pesos of silver plus some centavos, if Spanish silver was worth 15.5 cents per peso. This amount would then be the equivalent of around \$3.50 to \$5.00 per day in 1994 dollars. Considering that neither food nor shelter were at first provided, this is an amazingly low wage and could only have prevailed where the men and/or their families were already providing for their own basic subsistence from their *sitios*. MR to J.F. Craig, October 20, 1899, BBC, Ser. 2.

<sup>120</sup> *Ibid.* (MR to J. F. Craig, October 20). That Rionda would do this in light of his feelings regarding the same practice by the US military is interesting: "It is bad policy for the US army to allow the sale of goods at 10% more than army prices. This hurts commission merchants and I understand that houses in Havana and Matanzas are very much displeased with the Americans on that account." How much less pleased must have been the merchants of Guayabal? MR to W.J. Ahern, August 26, 1899, BBC, Ser. 2. See the reference in Chapter VII to the concept of enclave economy.

By this means Rionda enabled his contractors to avoid having to pay the high charges of the local store keepers.<sup>121</sup>

Gradually Francisco's isolation from the interior of the Island began to wane. The Occupation Government was constructing roads, building and rebuilding bridges, and attending to other badly needed infrastructural improvements all over Cuba. "Everything is on the boom in this part of Cuba, roads are being improved and engineers are going to start work soon on a road from Puerto Príncipe [Camagüey] to this coast." exclaimed Will Ahern.<sup>122</sup> In addition a railway bridge was being built across the Río Narahasse 14 leagues back of Guayabal for a railway intended to connect the interior with Santa Cruz del Sur.<sup>123</sup>

Conceivably these improvements in transportation had some effect on the local labor market, as Menocal supposedly found it possible, even at the beginning of the *zafra*, to contract a growing supply of labor for steadily decreasing wages. In accord with Rionda's demands, he was able to have some land rough-cleared for as little as \$300 per *caballería*.<sup>124</sup> On November 4th the New York

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<sup>121</sup> Mules, a local storekeeper, charged, for example, 16 1/2 cents for a pound of coffee; Rionda claimed that the same amount in New York cost nine cents. MR to Coma, June 8, 1900, BBC, Ser. 2.

<sup>122</sup> W.J. Ahern to MR, September 29, 1899, BBC, Ser. 1.

<sup>123</sup> MR to W.J. Ahern, October 20, 1899, BBC, Ser. 2. This railroad was not built until the 1920s.

<sup>124</sup> MR to J.F. Craig, October 20, 1899. No one would do it for less than \$350 to \$375 before, Rionda told Craig. Unfortunately for Rionda, he failed to realize that his demands to reduce expenses inevitably resulted in half-done work which was to cause much knashing of teeth later on. Thus the question of whether wages were really falling in eastern Cuba is problematic. One might assume that improved transportation would lead to a rationalization of the labor market, thus driving down wages in those remote districts



office received a cable that 200 men were now at work on the estate.<sup>125</sup> Thus Rionda's chief concern was mollified; the danger of not having enough labor had passed: "So two dangerous places have been left behind--water and labor."<sup>126</sup> As it turned out, both "dangers" were to reemerge, the latter to reassert itself in various forms throughout Francisco's history.

In a rare moment of complacency on the eve of his annual departure for Cuba (owing perhaps to his knowing that he would soon have the opportunity to judge for himself) Rionda writes Fluriach

Indeed, I see that things are going well, with all the people we need and conditions are as I had always thought they would be--even the rains have come on well, though late for the last plantings, but in every way beneficial.<sup>127</sup>

Within days after his return from Cuba he would once again break off with Fluriach and fire Menocal.

### The Year 1900

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where labor had been scarce. On the other hand, the government and private construction projects would have absorbed much of the labor pool, thus having the opposite effect on wages. If, however, conditions all over the Island were so "prostrate," to use Thomas's chapter title ("Cuba Prostrate", Thomas, Cuba), that the labor pool was for practical purposes bottomless, then perhaps wages did fall for the reasons cited above, at least in Guayabal in 1899. Three years later the Francisco management was still uncertain about wages in eastern Cuba: "Considering existing conditions in Cuba and our isolated location at Guayabal and not forgetting our future needs, 'What do you think we should pay this next crop for cutting and lifting cane?'" J.F. Craig to MR, September 19, 1902, BBC, Ser. 1.

<sup>125</sup> MR to J.F. Craig, November 4, 1899, BBC, Ser. 2.

<sup>126</sup> MR to J.F. Craig, October 20, 1900.

<sup>127</sup> Translation: Sí, veo que van bien, con toda la gente que se necesita y en las condiciones que yo siempre creí que se podía conseguir -- Las lluvias también han venido bien, aunque tarde para las anteriores siembras, pero de todas maneras beneficiosas. MR to Fluriach, November 10, 1899, BBC, Ser. 2.

On January 2, 1900, immediately after his return to New York, Rionda learned that Fluriach had received a request from Menocal for a \$10,000 advance. He instantly suspended reimbursements to Fluriach stating that the number of workers at Guayabal, and the corresponding size of the payroll, did not justify such a large request.<sup>128</sup> Within a day he fired Menocal, ostensibly for requesting more money than Rionda thought necessary to run the operation. He was also unhappy with his manager for not having a firm estimate of how much seed cane would be available in the Spring and generally blamed him for the poor performance of Ramos, whose shoddy planting Rionda must have observed while in Guayabal. Even without evidence of poor performance, it is likely that Menocal would have lost his job; he was the choice of Alfred Pesant, and the K & P deal had now fallen through.

Rionda announced to Craig that he was replacing Menocal and the bookkeeper with two other men "better known to me and cost a great deal less." And as for ". . . my friend (?) Fluriach, although very courteous, I am inclined to think is, in an underhand[ed] way, putting obstacles in my path."<sup>129</sup>

Francisco Coma was an old friend of Manuel Rionda's, their friendship likely dating back to Rionda's days at Central China.<sup>130</sup> He appears to have been Catalan, maintaining a residence in Barcelona,

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<sup>128</sup> MR to Fluriach, January 2, 1900, BBC, Ser. 2.

<sup>129</sup> MR to J.F. Craig, January 3, 1900, BBC, Ser. 2.

<sup>130</sup> Rionda's greeting in letters to Coma is frequently "Me amigo Pancho."

and was in all probability a lawyer.<sup>131</sup> He had had a long association with the sugar industry, but probably only as an attorney, for it is evident that he lacked practical experience. Despite this shortcoming, Rionda had had Coma in mind for the position of manager for some time, thinking that Francisco needed a trustworthy administrator more than a cane expert, especially in the early stages of development when little cane was being grown. Later, he planned to hire a real sugar man. Rionda had sent Coma on a sort of spy mission to Guayabal in the Fall to check the accounts. He reported unfavorably on the handling of the money, particularly the running of funds through Santa Cruz del Sur (Fluriach's operation). Immediately Rionda ordered the procedure changed and money was thenceforth sent through the commission agents Muniz & Company in Manzanillo.<sup>132</sup>

Upon his arrival as administrator of Francisco, Coma found the situation disordered and confused. The lack of competent management for so long a time had taken its toll on the estate, and, in fact, it is likely that had matters been allowed to drift much longer, it would have been impossible to hide the true state of affairs

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<sup>131</sup> We can surmise his legal background on the basis that his letters employ many technical, legalistic phrases that only a lawyer would know, and as to his Catalan background (in addition to his Barcelona address) once, after some opened letters from Rionda arrived from Manzanillo, Rionda joked that from now on he would have to write in Catalan. MR to Coma, February 3, 1900, BBC, Ser. 2.

<sup>132</sup> MR to Coma, January 2, 1900, BBC, Ser. 2. Typically, a commission house was authorized to draft funds from a company account which may have been set up with a larger commission house in Havana, Matanzas, or some other commercial center, in order to cover its own disbursements to answer the requirements of the estate. A commission was charged for this service unless the Company was a major customer of goods, in which case the commission was probably reduced or waived. The record fails to indicate what problem existed with the Santa Cruz arrangement. Later more problems arise in Manzanillo.

from the investors, and the Francisco Sugar Company might have collapsed along with Manuel Rionda's reputation for success.

It is interesting to compare the situation at the estate and that of Cuba overall. Coma took control just two weeks after General Leonard Wood assumed the military governorship of the Island. Under Brooke, although efforts were begun to ameliorate the abominable conditions on the island, there were also scandals and internal tensions that marred Brooke's administration. With the ascendancy of Wood, the old elite saw better times in store for Cuba. In fact, considering the desperate plight of the rural *peones*, even the gringo general may have provided a spark of hope to some members of the Cuban underclass, as well.

Everybody seems to be pleased now that the American troops are being ordered off the Island, and more pleased at General Wood's appointment at Havana. He is a great friend of the Cubans and it was an excellent move in putting him there.<sup>133</sup>

It is doubtful that Coma's appointment was a source of hope among Guayabal's workers unless their labors became more tolerable under less discordant management. Nor did Coma's arrival signal any change in regard to Rionda's impossible demands upon his manager, with the inevitable resulting negative ramifications in the work

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<sup>133</sup> W.J. Ahern to MR, December 26. Two points of interest arise here: 1) Who is "everybody?" Ahern's daily contacts would have been the few small storekeepers at Guayabal, the local labor contractors, and the peones. While he showed evidence of sympathy for the workers that would lead us to believe that he would not have shunned their company, he also was in favor of more Spanish immigration to Guayabal, thus echoing the sentiments of those elites who favored whitening Cuba. 2) Note the association of troops leaving the island and Wood's appointment. The independistas would have most welcomed the removal of US troops, thus at least some of their like-minded followers must have seen in Wood's appointment some hope for progress toward independence. Such thinking can be dismissed as naiveté born of ignorance, but the feeling apparently existed, nevertheless, and quite possibly among the patriotic underclasses. For a generalized class-based analysis of Cuban political attitudes surrounding Leonard Wood's administration see Pérez, Cuba, Between Reform and Revolution, pp. 97-112.

force. Coma had suggested that to do a thorough job of clearing, the contract price would be \$575 per *caballería*, a price which Rionda described as "*enorme*." "It is not my fault that they are always saying bread, bread, wine, wine."<sup>134</sup>

Shortly, Rionda had to admit that he had underestimated the cost of felling and burning one *caballería*--especially the cost of burning which he had at first thought would be around \$25 to \$50 but which turned out to be more than four times that amount. He had no idea of the work involved in separating out the great trunks which could not be burned. Rionda now realized that the earlier offers of \$375 per *caballería* were quite low and that the \$300 job that he had pressured Menocal into forcing through was more expensive in the end as he now had to go back and open roads and complete the burning on those lands contracted on cut-rate terms. Rionda took a philosophical approach to his experience with land-clearing contracts at Francisco, recognizing that it was all a great experiment and saying that he valued that experience more than anyone's opinion.<sup>135</sup> Finally, in a not atypical about face, Rionda tells Coma to go ahead and arrange a contract on the best terms possible without bothering to cable for final approval, but to limit the total of cleared land to 50 *caballerías*.<sup>136</sup>

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<sup>134</sup> "No me culpa por hablan spre [siempre] pan pan vino vino." This was one of Rionda's favorite expressions, and he used it often to signify the insatiate greed of the workers. MR to Coma, February 3, 1900, BBC, Ser. 2.

<sup>135</sup> MR to Coma, March 3, 1900, BBC, Ser. 2. This was, after all, in many respects a frontier experience. Land-clearing costs were likely higher in the dense rain forests of eastern Cuba with their gigantic trees than in the somewhat less challenging forests which had prevailed in the central and western provinces.

<sup>136</sup> *Ibid.* "As the time is short for clearing, don't bother to cable -- cost is no object."

Coma was apparently unable to come to terms with any of the labor contractors, for by February 10th, 33 1/2 *caballerías* had been cleared (mostly representing what clearing Menocal had initiated), the new work having been done entirely by *jornaleros* hired directly by the company.<sup>137</sup> Ten more *caballerías* of heavy growth remained to be cleared and burned plus another six in Los Ranchos, which at first was described as easily cleared *manigua* (jungle). This made the total of around 50 *caballerías* Rionda wanted cleared for planting..<sup>138</sup> Coma, however, claimed that the work done by Menocal in the Sitio Viejo was useless, as the burning was far from complete and much more work remained before the land could be planted.<sup>139</sup>

Rionda fumed and then begged Coma to find some use for the burned land. He ordered it reburned even though he was warned not to do so, it still being the dry season. Insistent as always he said “. . . pero lo que *conviene es hacerlo y bien a todo trance*, . . .”<sup>140</sup>

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<sup>137</sup> The work force was increased substantially with Coma's arrival. The payroll for the month equaled about \$2300, or enough to pay about 180-200 men. MR to Coma, February 2, 1900, BBC, Ser. 2.

<sup>138</sup> *Ibid.* The six *caballerías* in the Ranchos area later became a source of concern for Rionda. He described the vegetation as monte recio which contains stout trees that would be harder to fell. MR to Coma, February 24, 1900, BBC, Ser. 2.

<sup>139</sup> Many trees had been left standing. Rionda suggested that brush be gathered around the base of each tree and set afire. He insisted all could be accomplished in one burn and that two burns would be a “fracaso.” MR to Coma, March 3, 1900 (2nd letter of that date), BBC, Ser. 2.

<sup>140</sup> This can be roughly translated as “. . . but it must be done and done now. . .” Rionda wished above all to avoid being gradually drained of moneys for the reburning if the Sitio Viejo, and so like a general throwing all of his men and resources into one great, last battle, he ordered Coma to “burn everything! To gather the greatest number of men and make a big bon fire around the big trees and haul away those that do not burn. “Confío en sus aptitudes y en su voluntad para esa operación quede bien hecha.” (trans.: I am confident in your aptitudes and will to see that this operation is done well.)” he tells Coma. Lieutenant Coma may not have been leading a brigade against an enemy, but he did

Calculating the number of *caballerías* cleared almost daily, Rionda declared that he did "not want to extend the clearings too far, only enough for what is to be planted, that is my object." He wanted 50 *caballerías* ready to plant in the Spring. The big forest, he added, would have to be cleared ". . . poco á poco."<sup>141</sup>

Coma was less sanguine about the prospect of burning off the 33 *caballerías* than Rionda, claiming that 4/5ths of the timber would be left unburned. Rionda, more fearful of having too little cane than of any eventuality in connection with the burning wrote Coma,

I fear that we are going to make a great *fracaso*. We must burn all the woods and have the lands planted. It seems to me that by having 50 men with you and dropping the big trees, or at least hauling them with oxen and chains into big piles, you could accomplish a great deal.<sup>142</sup>

"That," he added, "would hardly cost as much as cutting the timber."<sup>143</sup> The Sitio Viejo, however, would not burn. A man from Manzanillo said that the woods in the Sitio Viejo, "wouldn't burn with petroleum."<sup>144</sup>

Coma did eventually find a way to burn most of the remainder of the unburned forest. Menocal had not cut or split the great logs

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have charge of 200 men and their task was to burn 1000 acres. That he had no experience in clearing and burning land seemed not to matter. MR to Coma, March 16, 1900, BBC, Ser. 2.

<sup>141</sup> ". . . little by little." MR to Coma, March 3, 1900.

<sup>142</sup> MR to Coma, March 16, 1900. Rionda was under a great deal of pressure to perform, as the crucial backing for the operation had not yet materialized. "You know how anxious I am to have 50 *caballerías* planted. Once that is done my work is ended, and to be told that we are now going to have difficulty burning or that we are not going to have seed, makes me think that I am going to make a very poor showing to the Company of my administration during one year."

<sup>143</sup> Rionda expected Coma to burn three *caballerías* a day.

<sup>144</sup> MR to Coma, March 23, 1900, BBC, Ser. 2.

but Coma found a way to do so, and by April, continuing to use company labor, he was burning off the woods at the rate of \$200 to \$250 per *caballería* each day.<sup>145</sup> Rionda advised him to concentrate on the areas which he considered the best cane lands, namely the Los Ranchos section in the north-central part of the property.<sup>146</sup> One month later at the approach of planting season, Coma had cleared and burned 21 *caballerías* in the Sitio Viejo and 15 more in Los Ranchos. In addition, there were the two *caballerías* which had been cleared by Ramos in the Charco Piedra section.<sup>147</sup>

The men who did this work were day laborers or *jornaleros*. Whereas at first Rionda feared a shortage of workers, when the need arose, the workers were recruited without any apparent difficulty. This is not to suggest, however, that relations between the workers and the estate management were cordial. Coma and Rionda agreed: "These *guajiros* are cheaters [*engañones*]. I don't trust any of them<sup>148</sup>." Some of them, however, were credited with a certain mental aptitude: "When you don't know how a thing is done," Manuel lectures Coma, "do a trial with one *caballería* and then you can show the intelligent ones how to do it."<sup>149</sup> But then, contradicting himself,

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<sup>145</sup> If 200 men were employed in this clearing, then each man would clear and burn on average nearly 1/5 acre of rainforest per day. Of course the men worked in caudrillas of perhaps 20 to 25 men, thus a caudrilla cleared and burned on average around 1.5 acres in a day.

<sup>146</sup> MR to J.F. Craig, April 19, 1900 and MR to Coma, April 21, 1900, BBC, Ser. 2.

<sup>147</sup> MR to Coma, May 18, 1900, BBC, Ser. 2.

<sup>148</sup> MR to Coma, March 16, 1900, BBC, Ser. 2.

<sup>149</sup> *Ibid.*



Rionda proclaims, "My knowledge of the Cuban country people is that they like to misinform people. I would not take much advice of those that you call intelligent people."<sup>150</sup> Later, Rionda, no slave to consistency, commented on the local labor in connection with loading cane measured by the *carreta* onto a schooner: ". . . the *guajiros* know by eye a cartload of cane"

So finally they were both intelligent and trustworthy.<sup>151</sup> What does all this mean? Rionda and the Cuban/Spanish elite could not afford but to assume a generically negative attitude toward labor and the underclass, but when it became necessary to admit of their skills pertaining to this or that specific operation, it was done without a thought, within the confines of managerial circles, that is. It was necessary for business, and incidentally, they knew it to be the truth.

At the end of April Rionda began to speak of lowering wages.<sup>152</sup> Three weeks later he wrote Coma emphasizing the need for the people in Guayabal to respect and fear him (Coma) as the representative of the company.<sup>153</sup> In the following week he demanded a reduction in wages saying ". . . if we lose people, well and good; we will get some others from other places. . . ." And by now this opinion was confirmed by his brother-in-law.

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<sup>150</sup> *Ibid.*

<sup>151</sup> ". . . los guajiros saben al ojo le que carga una carreta." MR to Coma, March 23, 1900, BBC, Ser. 2.

<sup>152</sup> MR to Coma, April 28, 1900, BBC, Ser. 2.

<sup>153</sup> MR to Coma, May 19, 1900, BBC, Ser. 2.

Pedro Alonso, at Manuel's behest, had undertaken an inspection trip to Francisco in mid May.<sup>154</sup> As the manager at Tuinucu, Pedro had Rionda's full confidence in matters of judgment pertaining to conditions and practices on the contemporary Cuban sugar estate. The report was mixed. Coma was a good man but did not know cane (as Rionda had fully realized when he hired him), but his bookkeeper, Aquino, was unimpressive; the chief problems were as follows: (1) Wages were too high, all the clearing should have been contracted. Men and boys both were making from \$1.15 to \$1.30 Spanish silver per day; therefore, burning costs were excessive.<sup>155</sup> (2) Twelve *caballerías* of the 33 1/2 cleared by Menocal (Sitio Viejo) were still not burned and it would be necessary to give them "*un chapeo de yerba y bejuco*" at \$250 per *caballería*; only 28 *caballerías* were ready to be planted.<sup>156</sup> Local sources for seed cane were too far away (three, five and six leagues) to be hauled to the planting sites in the Spring. There were two landings on the Río Sevilla, one was three leagues away with a bad road between, but the other, Casimbas, was only one league distant and with a good road to the newly cleared lands. Alonso believed that any additional seed cane

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<sup>154</sup> Accompanying him was his nephew, Higinio Fanjul, who stayed on at Francisco for a number of years, first in the unofficial capacity of assistant manager, and later as a colono and representative of the Cuban-American Sugar and Land Company.

<sup>155</sup> Alonso cites a range of \$6 to \$7 per *caballería* using 164 laborers. There is no indication of how he arrived at this range; these figures are far too low for total costs per *caballería* and far too high for per man costs per *caballería*.

<sup>156</sup> The phrase "*un chapeo de yerba y bejuco*" refers to the recleaning of the tumbas in which the weeds and vines would be cut out by machete, piled, and burned. Our understanding of the entire clearing and planting process was greatly aided by Agete y Piñero's *La Caña de Azúcar*, pp. 297-99.

required in the Spring could be bought in Manzanillo or Santa Cruz, brought by schooner to Guayabal, off-loaded to lighters (*chalanas*) and rowed up-stream to Casimbas. A lighter would carry 200 *arrobas* and could make three trips a day.<sup>157</sup>

Neither Alonso, nor the expert Aquino, offered any opinion of the land in general.

Now armed with Pedro's informed analysis, Rionda renewed his demands that workers' wages be cut to 60 to 70 cents per day and that the number of workers also be reduced<sup>158</sup>. Rionda professed ignorance as to why the cost of living for his labor should be so high. Coma, perhaps beginning to sense that his own job could be in jeopardy, lowered wages as demanded. Rionda's reaction was jubilant; as a point of comparison, he exclaimed that *jornales* in Havana were now making 60 cents. Having succeeded thus far, he tightened up a bit more, sending orders that from then on workers were to be paid either each Saturday or only once a month on the 15th and instructed Coma not to leave anything pending (no advances, etc.).<sup>159</sup>

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<sup>157</sup> Alonso estimated that 2000 *arrobas* would be required to plant each *caballería*. If 28 *caballerías* were planted, 56,000 *arrobas* would have been required, thus if all the seed cane had to have been brought up-river in the manner described, 280 lighter trips would have been required which would have taken over 93 days (if nothing went wrong!). MR to Coma, May 23, 1900, BBC, Ser. 2. Obviously the great bulk of the seed cane had to be grown on the estate, a requirement which makes cane sugar distinct from nearly all other sown crops excepting the rhizomatous and tuberous crops such as bananas in the first category and beets and potatoes in the second.. Of course those crops requiring sets such as tobacco and many vegetable and berry crops would also face logistic difficulties in remote sites, some annually, thus possibly requiring on-site propagation.

<sup>158</sup> Rionda was also under the influence of a Mr. Fernández who claimed that wages for cane planters in Matanzas were 40 to 50 cent Spanish silver per day. See below for Fernández's planting instructions.

<sup>159</sup> MR to Coma, June 8, 1900, BBC, Ser. 2.

It is obvious that the company would not have been able to institute wage reductions and generally to disempower the labor force had not the labor market in Cuba reached a critical state as a result of continually falling sugar prices. By September it was reported that many of the plantations in the Manzanillo district "have stopped working the cane fields, owing to poor prospects of prices." Rionda's reaction was that "Laborers, then, should be more plentiful and cheaper in Guayabal and . . . if that is the case, he [Coma] should reduce wages."<sup>160</sup>

Skilled laborers too suffered the consequences of the general decline in the Cuban economy. By October, work was begun on the brick foundations for some of the factory buildings. Initially all the bricklayers were North Americans, but Rionda sent them home--he could hardly do otherwise as Cuban bricklayers were only receiving \$2 to \$3 per day and some were working for \$1.50. In addition, being of the same nationality and speaking the same language, as Rionda observed, they worked in greater harmony with the other men.<sup>161</sup>

Initially Rionda planned to buy *carretas*, proposing to purchase 20 at \$30 each.<sup>162</sup> Perhaps realizing that with the low wages then prevailing at Guayabal the company could build them more cheaply, he changed his mind and decided to build the *carretas* on the estate. In fact, he wanted to not only build *carretas* for Francisco, but for

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<sup>160</sup> MR to J.F. Craig, September 13, 1900, BBC, Ser. 2. The payroll and supplies were amounting to around \$6000 to \$7000 per week on average at this time.

<sup>161</sup> MR to J.F. Craig, October 2, 1900, BBC, Ser. 2.

<sup>162</sup> MR to Coma, February, 15, 1900, BBC, Ser. 2.

Tuinucu as well and ship them in pieces to Santa Clara.<sup>163</sup> Iron frames and braces (*herrajes*), custom made in Manzanillo, were required in their construction, these *herrajes* taking a special form in Cuba not used elsewhere.<sup>164</sup>

As some men labored to clear and burn the forest, and others built *carretas*, still others were employed in planting the seed cane in those areas which had been prepared for planting, an operation sometimes described as *habilitar los terrenos*.<sup>165</sup> The cane reluctantly bought from Fluriach cost \$3-\$4 per 100 *arrobas* or something over \$8 per *cordel*.<sup>166</sup> There were 335 cordeles in one *caballería*, thus the cost of seed per *caballería* was \$2680 (c.\$80 per acre). The cost of the yokes of oxen (*yuntas de bueyes*) and the *carretas*, were variable according to what type of agreement existed in the case of contractors; in the case of company animals and equipment these costs were, of course, depreciated as capital investment.<sup>167</sup>

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<sup>163</sup> MR to Coma, March 17, 1900, BBC, Ser. 2. This decision speaks, of course, to the abundance of wood at Francisco as opposed to Tuinucu.

<sup>164</sup> MR to Coma, March 31, 1900, and MR to Coma, April 28, 1900, BBC, Ser. 2.

<sup>165</sup> We can offer no exact translation of this phrase. It seems to have meant both preparing the land for planting and planting it. Even Cuban friends with whom we have spoken are unsure of the exact meaning.

<sup>166</sup> Rionda railed at the idea of buying cane from Fluriach, or even from Fluriach's base, Santa Cruz del Sur. "Everything there is controlled by Fluriach, and every seller is his emissary. . . . going right into the mouth of the liebre, exactly the thing I did not want." MR to Coma, March 16, 1900, BBC, Ser. 2. Rionda's pet name for Fluriach, "liebre," could possibly be a play on words. Independent colonos were called "libres." Julio LeRiverend, *Historia Económica de Cuba*. La Habana: Editorial Pueblo y Educación, 1974, p. 583.

<sup>167</sup> Another way to figure the cost of seed cane is as follows: one *caballería* required approximately 3,000 *arrobas* of cane, say at \$3.50 per 100, thus \$105 was needed for the cost of cane giving a subtotal of \$2785 per *caballería* (c.\$83 per acre). Rionda also figured

Rionda was at this time influenced by a man only identified as Mr. Fernández who, according to Rionda, “seems to know more about sugar estates and sugar growing, especially planting, than any man I have ever met before.”<sup>168</sup> Fernández’s comments were as follows: There were 648 furrows (*surcos*) to the *caballería*. In *tierra fuerte*, one man could plant four *surcos* per day, thus requiring 162 men to plant one *caballería* in a day. In lighter soils one man could plant six *surcos* per day, thus requiring only 108 men for the same job. To plant one *surco* should cost c.20 cents or \$129 per *caballería*, plus the cost of covering over the cane which equaled \$81, thus giving a total labor cost of planting and covering of \$210 per *caballería* (Fernández recommended planting deep and covering well with earth). Thus if we take Fernández’s \$210 in labor costs and add the above figure of approximately \$80 in seed cane costs, the total costs of planting one *caballería* would have come to about \$290.<sup>169</sup>

Fernández based his estimates on what he claimed were prevailing wages in Matanzas province: 40 to 50 cents per day in

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the above on the basis of \$2.60 per 100 arrobas, which he considered a more reasonable price. He complained bitterly about the high cost of the oxen, screaming “Se pagan esos bueyes!!”(trans.: One really has to pay for those oxen!!) and further “I hope your[Coma’s] calculations are wrong. I can’t imagine that oxen could with a cart of cane cost \$8 --!!” He also noted that “In Tuinicu we pay \$1 and \$1.50 per 100 arrobas and they are coming from two leagues.” MR to Coma, March 8, 1900, BBC, Ser. 2. All of these figures must be regarded with extreme skepticism as the record seems to contradict itself. An extended detailed study involving comparative statistics from other sugar estates is required to arrive at more reliable cost estimates at Francisco.

<sup>168</sup> MR to Coma, May 24, 1900, BBC, Ser. 2.

<sup>169</sup> In the transcription of the interview Rionda requested with H.O. Havermeyer on February 27, 1902, Rionda gave an estimate of \$40 per acre as the total cost of clearing and planting land to cane. Havermeyer concurred in this estimate. Thus to clear and plant one *caballería* should have averaged around \$1344. If this was the case, then the cost of clearing and burning would have been something over \$1000 per *caballería*, far more than Rionda had initially thought.

Spanish silver. The daily wage, however, was not the only form in which workers could be paid: some jobs could be paid by the piece if the manager felt that it would earn him savings in labor costs to do so, and if the workers accepted the arrangement. For example, the planting operation was divided into three parts: hauling the seed cane to the planting site where the planting furrows had already been plowed, cutting the pieces into the proper lengths (usually around two feet), and plowing over the planting furrows. The cutting required the most skill as the cuts had to be made cleanly and at a certain angle. This task paid around \$1.20 per 100 arrobas. For plowing over the workers were paid around \$1 per 100 arrobas. The hauling was paid by the *carreta* and according to the distance the cane had to be hauled, but a medium distance paid around two *centemes* (*centavos*) per *carreta*. It is impossible to compare the relative pay of this operation with the others. To do so we would need to know how many cartloads of cane could be hauled in a day and also the rate of breakdowns, bogdowns in the mud, problems with the oxen, and a number of other factors of which we may not even be aware.<sup>170</sup>

Rionda was oddly insouciant--almost whimsical--as to how he wanted the seed cane planted. "Whether it is in one square, or in a

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<sup>170</sup> Rionda objected to the costs of plowing over and cutting. He claimed one man could plow over 100 arrobas of cane in two hours. If this were so, a man could earn perhaps \$10 per day, an extremely high wage. Rionda claimed "the cutting and plowing over together were not worth over \$1 per 100 arrobas. MR to Coma, June 6, 1900, BBC, Ser. 2. Coma and Rionda estimated that using 3000 arrobas of cane per caballería, to sow the 38 prepared caballerías (the Sitio Viejo had been temporarily abandoned) would require 114,000 arrobas. They estimated it could all be planted in 30 days at the rate of 3.8 arrobas per day using 16 carretas per day with three yokes of oxen each. Thus 230/240 arrobas were expected to be planted per day. MR to Coma, April 28, 1900.

straight line, or in patches makes no difference, although, of course the neater and better to the sight it is, will be more artistic.”<sup>171</sup>

The seed cane plantings of 1900 did better than anyone had expected. In June Rionda wrote McCahan with his characteristic ebullience, translating a letter he had received from Coma

As regards seed it seems to me that we are all mistaken, for the cane field in Sitio Viejo is growing wonderfully, and on the other one below I cut one cane today and cut it into pieces for seed. . . Today that same cane is one-half yard longer. Whoever says that these lands are not good is very very very much mistaken. The cane grows here phenomenally. In time you will see for yourself.<sup>172</sup>

No replanting was found to be necessary and the weather conditions in the summer of 1900 were far better than the previous year.

With the coming of the dead season all efforts were turned toward improving the basic infrastructure of the estate. Roads were cleared throughout the plantation, and made “free from all stumps.” An eighty-four foot wide road was cut through the center of the lower clearings (Charco Piedras), and thirty foot wide roads were cut parallel and at right angles blocking in each *caballería*. In addition thirty foot wide roads were run diagonally in one direction across

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<sup>171</sup> MR to Coma, March 3, 1900. In Cuba cane was generally planted according to the Reynoso System, that is in lines or furrows rather than squares, although practices varied. Deerr, *Cane Sugar, passim*. This system is named for the best known nineteenth-century Cuban agronomist, Don Alvaro Reynoso whose 1862 publication *Ensayo Sobre el Cultivo de la Caña de Azúcar* was the first to apply contemporary principles of agronomy to the cultivation of sugarcane. see Alvarez Díaz, *et al.*, *A Study on Cuba*, p. 90.

<sup>172</sup> MR to McCahan, June 22, 1900, BBC, Ser. 2. In a second letter to McCahan Rionda quotes further from Coma: “The cane is growing well. The lands are very very good. This is not an assertion from a wise man at the last hour but what is proven by visible results.” And in the same letter Coma wrote that the Menocal cane was doing well and was about twelve feet high and could be cut into five pieces for planting. (Rionda’s translations) MR to McCahan, June 29, 1900, BBC, Ser. 2.



each block. Other roads radiated from a control point in the upper clearing near the batey.<sup>173</sup>

Soundings were taken in preparation for the construction of the new pier which was to be at a point just west of Cape Romero. It would be necessary to build the pier 1300 to 1400 feet long to reach depths of from sixteen to seventeen feet. A sawmill was shipped from the United States "adequate for all purposes."

It was also reported that the town of Guayabal was "constantly on the increase." The town was now comprised of seventy buildings including two school houses and the population had risen to about five hundred. "This," Rionda affirmed, "insures a constant supply of labor."<sup>174</sup>

By late June Rionda had finally managed to capitalize the Francisco Sugar Company with the commitment from McCahan and the other Philadelphia interests. Immediately he renewed his efforts to negotiate for the erection of a mill. Krajewski and Pesant were more or less out of the picture for the time being, so Rionda solicited the major manufacturers for bids.<sup>175</sup> About this time he met Hedemann of McBryde & company of Hawaii, also representing the Honolulu Iron Works. Rionda was impressed, describing him as a

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<sup>173</sup> Board of Directors Meeting, September 12, 1900, BBC, Ser. 90, Minute Book 1.

<sup>174</sup> *Ibid.*

<sup>175</sup> These included the West Point Foundry, The Farrel Foundry & Machine Works, Robert Deeley & Co., The Pioneer Iron Works, and some unnamed European manufacturers. MR to McCahan, June 20, 1900, BBC, Ser. 2. The George M. Newhall Co. was also contacted and later hired as general engineering consultants.

"modest man."<sup>176</sup> Hedemann also impressed Rionda with his suggested specifications for a mill of the size and type he felt Francisco needed.<sup>177</sup> Hedemann offered to do all the drawings and specifications and coordinate with the manufacturers for five to ten percent of the total cost of the machinery.

In the following month Rionda was informed that a Florida sugar mill with a grinding capacity of 600 tons per day was for sale for \$50,000, the owner, wanting to have the mill removed from his property in its entirety.<sup>178</sup> As it turned out, the mill had been offered for sale among Rionda's Philadelphia friends. McCahan having

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<sup>176</sup> MR to McCahan, June 21, 1900, BBC, Ser. 2.

<sup>177</sup> He suggested a nine roller mill with a K&P crusher. The rollers were to be 34 inches in diameter and 78 inches in length and capable of running 1200 tons of cane every 24 hours. The nine rollers were categorized into three mills of three rollers each. The 1st mill, which received the cane from the crusher, had an entrance of 1/2 inch and an outlet of 3/16 inch, the 2nd mill, 1/10 inch entrance and an iron on iron outlet and the third mill a 1/32 inch entrance and iron on iron outlet. The first roller of the first mill was to be 18 feet, the second, 20 feet and the third, 22 feet so that the first one traveled faster than the second and the second faster than the third. The hydraulic pressure on the top rollers was to be 425 tons on the first mill, 450 tons on the second, and 475 tons on the third. This plan allows a nine roller mill to be driven by one engine, not three, the advantage being that with three engines there was always a difficulty in regulating the speeds of the various rollers. The rollers were to be kept free of bagasse by the appliance of a softer iron scraper.

One mill, according to Hedemann, could grind 1200 tons better than two mills at 600 tons each.

<sup>178</sup> This mill had been erected in 1888 by the well-known Philadelphia entrepreneur and land baron Hamilton Disston who attempted to develop a sugar plantation in the upper Kissimmee River Valley in what is today Ocala County. The great freezes of 1894, 1895 and 1899 imposed too great a loss on the operation leading Rionda to declare that frost in Florida ". . . had made sugar raising impossible." MR to J.F. Craig, July 23, 1900. The late 1890s was a notorious period for Florida agriculture that compares with 1835 and the 1980s in severity of damage to crops from freezing temperatures. This was, of course, prior to the draining of the Everglades where sugar began to be grown in the late 1920s and further expanded after the Cuban Revolution in 1959. Sugar was grown on a small scale (though mostly for syrup) throughout Florida (most of which, after all, enjoys a milder winter than the venerable cane-growing districts of Louisiana) well into the twentieth century. The mill had been run by Jacob Heyle for two or three years. It was also known to Hilgert. W.J. McCahan to MR, July 25, 1900, BBC, Ser. 1.

bought some sugar from there some years earlier, was familiar with the mill, and apparently he sent someone to Florida to look it over. No agreement was ever reached on the purchase of this mill, however.<sup>179</sup>

Like so many venture capitalists who came before and were to come after, Rionda found it far easier to deal with matters of land and capital than with labor. The workers who cleared and burned the forest and even those who planted and cultivated the seed cane were not people with whom the company needed to establish a permanent relationship. The *jornaleros* could be hired and fired at will, and even the labor contractors were not indispensable. The larger labor question was one that Rionda had spoken of often, for he understood that the form in which he ordered the relations of production would largely determine the success or failure of the estate. Perhaps because of its importance, or simply because he disliked dealing with the inevitable uncertainties of labor, Rionda was slow to nail down a definite plan regarding the central questions: 'Who was going to do the agricultural labor?' 'Who was going to pay them?' 'What amount were they to be paid and in what goods or currencies?' And perhaps the most critical question of all, 'How was the company to maintain consummate control over the production process from the social milieu of the workers to the finest points of sugar chemistry?' With the employment of the proper means could not the former be regulated as surely as the latter?

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<sup>179</sup> MR to J. F. Craig, July 24, 1900, BBC, Ser. 2.

These questions to the positivist mind of Rionda were matters of economy, pure and simple. Things political, in the most formal sense of the word, were dismissed, except where they posed a threat to profits or could be manipulated to increase profits.

It is all very well the politics you wear. There is that to cheer about [for] those who wish to do so, but such matters don't concern me: and that will be the company's security. My object is to plant fifty *caballerías*; all that remains is to do it. There, by God, will be time for these colonias. And it is good that he [the *colono*] is made to know that he who fails to help the company now, will be at a disadvantage later compared with he who helps."<sup>180</sup>

Despite this tough language, Rionda still had not adopted a definite plan. He remained uncertain of whom he wanted as a *colono*, and of the exact nature of that future relationship.<sup>181</sup> On the most ideal plain, he would have liked to eliminate the *colonato* in all but name only, with the company contracting labor and supervising every aspect of production. He knew, however, that the agricultural component of sugar production would never be totally susceptible to the kind of industrial planning that took place in a mill. Rionda, having grown up on farm, retained a great respect for the many risks and difficulties involved in agricultural production, and was increasingly tempted to buffer the company from these difficulties with the *colono* as intermediary. He especially desired a *colono* with capital who would be in a position to withstand short-term losses and thus maintain a more or less steady supply of cane for the central over the long term. Such a person could even become an

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<sup>180</sup> MR to Coma, March 3, 1900, BBC, Ser. 2.

<sup>181</sup> He received no advice from McCahan in the matter of colonos, who Craig quoted as saying ". . . one thinks no colonos and another have only colonos and he (McCahan) don't know which is right." J.F. Craig to MR, October 6, 1900, BBC, Ser. 1.

investor, as had Fluriach (but in that case by reason of an existing mortgage).

Cultivation: [it] is very difficult to say how much each acre will cost to the cent. I have found that out! Depends on weather, land, wages, and many things. So it would be much easier for the Francisco to introduce the *colono* system provided they are men of responsibility.<sup>182</sup>

Another advantage of having wealthy *colonos* was that they did not require any advances. They could, in other words, finance their own planting, cultivating, and harvesting without recourse to company loans. The costs, as Rionda put it, "would be more clear cut."<sup>183</sup>

In the matter of payment arrangements too, Rionda was still ambivalent. He had often expressed strong sentiments against the prevailing system of payment in sugars.

. . . even if we pay 5%, although I should prefer \$2 1/2 per 100 arrobas than to give sugars . . . if we give sugars the *colono* has the benefit of the reduction on duties. At the same time if we get them to sell at \$2 1/2 and duty is reduced, I am sure the *colonos* would not keep their contracts, so perhaps after all it is better to give them the benefit.<sup>184</sup>

In other words, a flat 5% commission for growing the cane was preferable, but if not that, then he would be willing to pay \$2.50 per 100 arrobas of cane delivered to the mill. If payment was made in sugars, and the U.S. tariff were to be subsequently reduced, the benefit of the increase in value of the sugar would fall to the *colono* as he could then sell the sugar he received in payment at a relatively

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<sup>182</sup> MR to McCahan, June 18, 1900, BBC, Ser. 2. Six months later Rionda was still favoring Fluriach as a *colono* because he had capital: "Colonos without money is the same as 'tails I win, heads you lose.'" MR to J.F. Craig, October 5, 1900, BBC, Ser. 2. On a more general level, this quote clearly reveals Rionda's intention of using the *colono* system to avoid the risks of weather and wage pressures from labor.

<sup>183</sup> MR to J. F. Craig, July 23, 1900, BBC, Ser. 2. A disadvantage, however, would be the loss of interest on such advances, presumably a major part of the income of some centrales.

<sup>184</sup> MR to J.F. Craig, July 23, 1900.

higher price than he would have received for his cane had the reduction in the tariff occurred earlier. Finally, if the \$2.50 price was fixed, and the value of the cane were to increase, Rionda believed the *colonos* would find another market.<sup>185</sup>

Thus we see that in the first two years of Francisco's existence, Rionda was very much in an experimental mode regarding the *colonato*, just as he was in other matters such as clearing and burning, labor contracts, seed cane planting, and the exploitation of the forest on this new frontier of sugar expansion. We can observe, however, that in the matter of *colonos* it is clear that in this phase of the development of the estate Rionda was only interested in two polar categories: (1) minor business partners of his class who would not only fully share in his interests in the efficient running of the estate, but also serve as a buffer from the risks inherent in agricultural production and labor problems, or (2) a proletarianized labor force which would be entirely under company control. Only in those occasional moments of desperation when it momentarily appeared that there would be no one to grow cane at Guayabal did Rionda consider the third alternative of having a group of medium-size growers occupy the estate. In years to come Rionda was to yearn for just this solution, but of course, even these would be growing on estate property and thus remained very much under company control. Guayabal was far from Matanzas.

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<sup>185</sup> *Ibid.* Clearly, a colono growing on estate property would not be free to find another market. This comment applies to wealthy, independent colonos such as Fluriach who would have the bulk of their plantings on their own lands with a contract to sell to the central. Fluriach turned down Rionda's offer of \$2 1/4 to \$2 1/2 per 100 arrobas, insisting instead on a flat five percent.

The Year 1901

Avoiding pestilence in Havana and elsewhere on the Island, Rionda returned at the usual time from his annual visit to Cuba. McCahan was full of praise for Coma saying that he was worth to the company what anyone else would pay him.<sup>186</sup> Indeed, Coma had his hands full, first attempting to find a good water supply so as to locate the batey, then supervising the building of the foundations for the factory, finishing up the temporary dock while trying to unload the many tons of heavy equipment that was arriving on the *Shawmut*, the *Norton Europa*, and the *Cienfuegos*, and coordinating a myriad number of interrelated projects.<sup>187</sup>

Late in 1900 the *Shawmut* began her regular voyages from Baltimore and New York, bringing the materials needed to build the structures and infrastructure of the estate: 50,000 bricks and 400 tons of rails, which were cheaper now at \$22 per ton than they had ever been. <sup>188</sup> From all over the developing world orders were

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<sup>186</sup> MR to Coma, January 25, 1901, BBC, Ser. 2. His information had probably come from his associate, John F. Craig, who apparently visited Francisco sometime that January. Craig told Rionda that "he found everything in good shape, and it was wonderful how much Mr. Coma had done considering the many difficulties and lack of tools." MR to Coma, January 25, 1901, BBC, Ser. 2. Craig may not have realized that Manuel Rionda was not the least of Coma's difficulties.

<sup>187</sup> MR to October 13, 1900, BBC, Ser. 2. The *Shawmut*, a sailing vessel, was chartered by the Company for an extended period in order to assure prompt delivery of equipment to Francisco during this critical stage of development, which required coordination and proper timing. Her first arrival at Guayabal was on November 8th.

<sup>188</sup> MR to Craig, September 19, 1900, BBC, Ser. 2. U.S. brick prices were slightly lower than Cuban prices (200,000 10 x 5 x 2 brick at 7 1/2 pounds each costs \$12.50 Spanish gold FOB Sancti Spiritus) but the cost of transportation made them higher. The steadily falling cost of steel and the resulting fall in the price of rails has been widely documented. In 1870 steel rails were \$106 per ton, in 1878, \$44 and by 1900 half that amount. Guerra y Sánchez, Sugar and Society, p. 66.

coming in for the construction of plantation railroads, streetcar lines, and pioneering back-country lines. The only damper on the market was speculation that the price would drop even lower. McCahan did his best to find more rails, but the mills could not keep up with the many orders, and shipment to Guayabal was delayed.<sup>189</sup> Finally on January 22nd another shipment of 1000 tons of rails, switches, fish plates, and an iron safe were shipped from Baltimore. This shipment was followed by another on February 16th of 40 tons of 45 pound rail along with other materials on board a Ward steamer. Some railway cars had been shipped on the *Shawmut* and another one was on order along with a locomotive, but neither was yet ready.<sup>190</sup> On about March 8th the steamer *Cienfuegos* cleared Baltimore for Guayabal. The bill of lading included a locomotive tender, four maintenance of way cars, a stone crusher, and another 40 tons of 45 pound rail.<sup>191</sup>

Coma was having his difficulties unloading with only a small crane at his disposal on the temporary dock. He was expected to unload 250 tons of rails a day, but with only two small railway cars and no sidings, the off-loading was a challenge. He requested a small

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<sup>189</sup> MR to J.F. Craig, October 11, 1900, BBC, Ser. 2.

<sup>190</sup> MR to Coma, January 22, 1901, and MR to Coma, February 16, 1901, BBC, Ser. 2. These 45 pound rails were considered medium weight. The line at Guayabal was to be standard gauge.

<sup>191</sup> MR to Coma, March 8, 1901, BBC, Ser. 2.



locomotive immediately.<sup>192</sup> By March 16th he had three.

Disbursements were now running at \$10,000 a month.<sup>193</sup>

By the end of March Craig, McCahan, and Rionda finally declared their decision to locate the batey in Los Ranchos, a high, area of the coastal llanos or savanna--if there was water.<sup>194</sup> It was in this part of the estate that everyone agreed were the best cane soils, and Rionda wanted the batey in the heart of the most productive area. "It is thought here," said Rionda, "better to have the batey near the cane even though water will have to be brought by pipe from Charco Piedra. In this I am with those who had rather haul sugar than cane."<sup>195</sup>

Coma, however, did not agree with their choice; he wanted the batey in the lower Charco Piedra section closer to the wharf. Rionda and the Philadelphia interests feared that the Charco Piedra was subject to seasonal flooding, at least in some years.<sup>196</sup> Naturally the Los Ranchos choice prevailed and construction was begun there sometime in April or May--albeit with no certainty of finding a sufficient supply of water.<sup>197</sup>

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<sup>192</sup> MR to Coma, January 22, 1901(second letter of that date), BBC, Ser. 2.

<sup>193</sup> MR to Coma, March 16, 1901, and MR to Coma, March 8, 1901, MR to John Craig, April 24, 1901, BBC, Ser. 2.

<sup>194</sup> MR to Coma, March 31, 1901, BBC, Ser. 2.

<sup>195</sup> MR to Coma, January 18, 1901, BBC, Ser. 2.

<sup>196</sup> MR to Coma, February 2, 1901, BBC, Ser. 2.

<sup>197</sup> Raphael Zavalllos to Coma, June 14, 1901, BBC, Ser. 2.

In May Coma reported that they were having trouble finding good water in Los Ranchos. They had dug 30 feet and had 8 1/2 feet of water but that was insufficient. "When you have seen water send me a cable '*Agua*,'" said Rionda.<sup>198</sup> In early June the search for an adequate water supply at Los Ranchos continued. At 51 feet there were still only 550-560 buckets per 24 hours.<sup>199</sup> Raphael Zavalllos, writing on behalf of Rionda who was in London, suggested an artesian well as the only alternative.<sup>200</sup> Of course, a flowing well would have to be dug much deeper than an ordinary well.<sup>201</sup> The hand digging was slow and by September Rionda was talking of finding a well-drilling rig to complete the project.<sup>202</sup> In fact, the two artesian wells that were eventually completed were not ready until March of the following year.<sup>203</sup>

The planting season had arrived and more cane was sown in the *tumbas*. The planting was done by contract as it had been

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<sup>198</sup> MR to Coma, May 4, 1901, BBC, Ser. 2.

<sup>199</sup> MR to J.F. Craig, June 6, 1901, BBC, Ser. 2.

<sup>200</sup> A limestone coastal shelf of the type found along the south coast of Camagüey is typically underlain with an surficial aquifer under pressure from higher, inland aquifers.

<sup>201</sup> Raphael Zavalllos to Coma, June 14. Zavalllos delivers an amazing speech to Coma, exceeding even Manuel Rionda in rhetorical embellishments, of which a sample sentence follows: "Quien no espera vencer, está vencido. Y U. que ha superado allí tantas dificultades arrimará en esta vez también el hombro para que se pueda moler á todo trance del 1° de Febrero en adelante." (trans.: He who does not expect to conquer is conquered. And you who have overcome so many difficulties will put your shoulder to the wheel this time so as to be able to grind this coming February 1st, no matter what.).

<sup>202</sup> MR to J.F. Craig, September 10, 1901, BBC, Ser. 2.

<sup>203</sup> Manuel E. Rionda to MR, March 1, 1902, BBC, Ser. 2.

decided not to keep oxen on the estate until there was time to put in pasture. The seed cane had to be hauled by horses and engines.<sup>204</sup>

Despite the renewed activity at Guayabal, not all was going well. Will Ahern was starting to drink even more heavily as was George Hilgert, the sugar master hired the previous year.<sup>205</sup> As for Ahern, Rionda demanded that he stop immediately: “. . . unless he stops drinking he must go! No quiero disgustas--Fuera!” Hilgert, on the other hand, was, in Rionda’s opinion, beyond reform. He wrote Coma that he had heard Hilgert had been drinking again but said only “This tart (*moza*) in Manzanillo sells him *aguardiente* ( a kind of rum). . . I did not mention it in Philadelphia.”<sup>206</sup> But by May 1st, Francisco’s first sugar maker, still drinking, chronically ill, and resentful, had been dismissed without having made the first loaf of sugar.

Friction had begun to develop between Rionda and Coma when the latter was only three months into the job. Under severe pressure to raise capital, and having indifferent success, Rionda took out his frustrations on Coma by making deprecatory remarks about Coma’s progress in clearing, implying that he was a worse spendthrift than

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<sup>204</sup> MR to J.F. Craig, June, 6, 1901, BBC, Ser. 2.

<sup>205</sup> Hilgert had been sugar maker on the estate Porvenir in St. Domingue in which Rionda’s friend Hugh Kelly had an interest. He then went to La Fé in the same capacity, and then became a colono on Cristóbal Colón on the same island. His previous job had been sugar maker at Constancia (apparently not the Cuban Constancia) with an eight months salary of \$2000. He had a reputation as a drinker, but for Rionda his greatest failing was that he “. . . has not been in Cuba and does not know the Cuban people . . . .The peculiarities of the Cuban people are great, and no one can get along in the Island unless they conform to those “ J.F. Craig, April 23, 1900, BBC, Ser. 2.

<sup>206</sup> MR to Higinio Fanjul, March 8, 1901, and MR to Coma, February 2, 1901, BBC, Ser. 2.

Menocal and declaring that he would not recommend him for permanent manager if he could not answer for the expenses.<sup>207</sup>

Like that of quarreling lovers, the relationship between Rionda and Coma had been an emotional roller coaster, first Coma accusing Manuel of turning peevish, Manuel answering "I have vexed you very little." Rionda delivered a soliloquy worthy of romantic opera saying his decision to bring Coma into the firm was "to join their fortunes for better or for worse . . . . *si así es* [illegible] *suerte al fracaso!*"<sup>208</sup> and, "--I do not wish to wound [*herirle*] you. It's only that with so many *caballerías* and so much \$--" And finally, invoking the language of masculine bonding, he exhorted "Lo que yo no quiero es que se nos eche à perder el fogueo."<sup>209</sup>

But two months later their differences had been forgotten: "Let your health be the best, let there be no decay in your soul, that you may carry on the struggle that much better, in the best spirit and for the greatest glory and I am delighted to send you my regards."<sup>210</sup> In July Coma received 30 shares of Cuban-American in appreciation of his work.

Coma's problems were not only with Rionda, but also, despite recent high praise, with Philadelphia. In fact, even Rionda

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<sup>207</sup> MR to Coma, March 6, 1900, BBC, Ser. 2.

<sup>208</sup> Perhaps Rionda's sentiments could best be expressed by the old U.S. working-class phrase, "If we didn't have bad luck, we wouldn't have no luck at all."

<sup>209</sup> A translation of the last phrase might be, "I do not wish to lose our hardness (or courageous spirit)." MR to Coma, March 16, 1900.

<sup>210</sup> "Que su salud siga mejorando, que no decaigan sus ánimos, pues cuanto mayor lucha, mayores bríos y mejor gloria y mando como guste à su afino. Amigo SS."

occasionally expressed his irritations with the Front Street financiers. In a rare moment of utter candor, he confided to Coma ("Pancho") that he had received complaints from Craig about the unloading and continued

"I must say that this thing is getting uncomfortable. Every Thursday or Friday I get some confounded telephone message from Philadelphia asking me to go there or for them to come here, all on account of these letters I receive [from Guayabal]. They expect things to be very smooth, but they don't run that way."<sup>211</sup>

By September matters had grown worse, both at Guayabal and in Philadelphia. Rionda could no longer afford to protect his friend, and he admitted to Craig that the discord at Guayabal was almost out-of-hand. The problem, he believed was that people had been allowed to undermine Coma's authority. Rionda felt that an officer of the company should have remained on the estate. As it was, too much letter-writing was going on directly between Coma and lower echelon employees of the Philadelphia office, which resulted in the spread of rumors and malicious gossip.<sup>212</sup> To make matters even worse, the machinery contractors' representative on the site was quarreling with Coma, and wrote Philadelphia to say that "not one man working for the company at Guayabal is worth the food he eats."<sup>213</sup>

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<sup>211</sup> MR to Coma, March 15, 1901, BBC, Ser. 2. Already the telephone had established itself as a twentieth-century irritant.

<sup>212</sup> Three years later Rionda was complaining about gossip at Francisco: "There has always been too much chismaria [chismorreio] in Guayabal . . ." MR to Higinio Fanjul, October 27, 1904, BBC, Ser. 2.

<sup>213</sup> MR to J.F. Craig, September 28, 1901, BBC, Ser. 2. This was the George M. Newhall representative, the firm which received the contract to erect the machinery. Coma also quarreled over labor scheduling with a cantankerous Irishman by the name of Finley, representative of the Milliken Brothers who had the contract to erect the sugar house sent

Tensions were to running high in Philadelphia as the twin jaws of great expenses and lack of income began to close shut. "At present sugar prices," John Craig writes, "there is not much inducement to grind sugar cane." Coma was instructed to bring weekly expenses down to necessities. The erection of the factory was to continue along with the upkeep of the railroad, "but all this should not call for \$7,000 per week." And more ominously, ". . . I must get friends, or the company will have to assign."<sup>214</sup>

Reacting to John Craig's dark reference, Rionda says "We have spent nearly a million dollars and to stop now, there would be nothing to show for it. . ." <sup>215</sup>

In October, as Manuel prepared for his trip south, he received a note from John Craig on the eve of his departure. His remarks to Rionda make quite clear the thoroughly corporate character of this endeavor in which there was no room whatsoever for *personalismo* (which Craig doubtless suspected in Rionda):

"I have been and am anxious, that you should take out with you, the impressions of the exact views of our Board of Directors in regard to all matters at Guayabal, as it is their views and not yours or mine, that is to be carried out. It is not always, just the words said, as the preceding remarks giving rise to them or the manner in which they are said and the spirit of them, which is most necessary for you or myself to be governed by."<sup>216</sup>

Forthwith Rionda issued draconian orders in advance of his coming: he forbade anyone after his arrival to speak of the past or "anything

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down from Hedemann. The Milliken men claimed to have gotten sick on Francisco's water and when Craig refused to ship them mineral water to drink, packed up and returned to the mainland. MR to Coma, March 8, 1901.

<sup>214</sup> John Craig to MR, September 23, 1901, BBC, Ser. 10.

<sup>215</sup> MR to John Craig, September 24, 1901, BBC, Ser. 10.

<sup>216</sup> JFC to MR, October 2, 1901, BBC, Ser. 10.

that occurred before my arrival. I mean to wipe out the slate completely and start fresh, letting bygones be bygones, so that no one will be at liberty to tell stories one against the other.”<sup>217</sup>

As it turned out, Rionda was pleased with what he saw at Guayabal<sup>218</sup>. At least concrete progress was taking place, regardless of the discord and personal animosity that seemed to pervade the management. It appeared that Rionda was going to have his new sugar estate, but in a time of the lowest sugar prices on record. For a man gambling his entire career on the bet that contrary to all signs, Francisco would not collapse in catastrophic failure, Rionda’s comment on the market reveals remarkable *sang-froid*: “There is no doubt that sugar has some value, and its continual decline will someday have a check.”<sup>219</sup>

### The Spring of 1902: Sugar Making Begins

On the tenth day of the new year it was announced that management had decided to replace Francisco Coma with Juan Fernald, Francisco’s fourth de facto manager in under three years. Technically Fernald was hired not as an administrator but as a sugar

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<sup>217</sup> MR to J. F. Craig, October 4, 1901, BBC, Ser. 2. Rionda makes reference to writing Coma using this language.

<sup>218</sup> He wrote John Craig that he and his wife were having a pleasant visit and all was satisfactory. Presumably the widespread sickness that Craig had observed a month or so earlier had abated with the rains. MR to JFC, October 25, 1901, BBC, Ser. 10. For more on Rionda’s reaction to his visit, see the conclusion of Chapter III.

<sup>219</sup> MR to H.R. Reed, December 31, 1901, BBC, Ser. 2. In November W.J. McCahan had initially reacted badly to plans to plant more cane telling John Craig that “if it costs three cents 90° to make and [is] worth two cents only, then we have too much cane now. . .” John Craig to MR, November 1, 1901, BBC, Ser. 10.

maker to replace Hilgert. It was understood, however, that he would be in charge of the estate. Craig, not Rionda, informed Coma of the decision, to which he reacted bitterly. Rionda commiserated “. . . suffice to say that Francisco has made my life miserable in these last months.” followed by “You don’t need me to tell you how I feel about the change, but there is no remedy. There are many sad lessons in this life.”<sup>220</sup>

These were not crocodile tears on Rionda’s part. He was sincerely upset by his friend’s demise which was largely the work of the Philadelphia interests. In fact, Craig must have sensed some resentment on Rionda’s part over the matter, for Rionda felt the need to write to Craig to soothe matters over: “Ten Comas could never change my feelings towards you or anything like bringing unpleasantness.” but he then goes on to say that they should have told Coma while at Guayabal that he was to be fired and not have waited until the last minute.<sup>221</sup>

Fernald was on the job at least by early February at which time he employed a Mr. Seigle, a former planter who was known to Rionda, to assist him.<sup>222</sup> Rionda was pleased that at last there was someone at Francisco who knew the language and the “Cuban ways and fields. . . .” Fernald and Seigle had two primary charges: (1) to see that the mill was ready to grind by February, or March at the

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<sup>220</sup> MR to Coma, January 18, 1902, and MR to Coma, January 24, 1902, BBC, Ser. 2.

<sup>221</sup> *Ibid.*(January 24).

<sup>222</sup> MR to J.F. Craig, February 8, 1902, BBC, Ser. 2. Seigle may typify many of the smaller planters who failed during the hard ultimate decades of the nineteenth century. If they wished to continue in the thing they knew best, they either became colonos or company managers or their assistants.



latest, and (2) to plant more cane--and if the reciprocity treaty was signed, to plant as much cane as possible.<sup>223</sup>

In order to accomplish these goals a large labor force would have to be attracted and held. Rionda had felt that Coma's chief failing had been lack of what he termed "moral influence." Furthermore, Rionda assured John Craig, Fernald exercised this "moral influence over our men."<sup>224</sup> In fact, the company was on the verge of yet another *fracaso*.

During February Manuel's nephew, Manuel E. Rionda (Manolo), was sent to Guayabal on another surprise inspection just as Pedro Alonso had done the year before, and like Alonso's, his report was anything but favorable. The sugar factory was far from finished with many missing parts and fittings and little piping installed. Some pumps and tanks had to be moved as they had been placed in the wrong location which necessitated the demolition of brickwork. Milliken Brother's man, Finley, could not or would not explain the mistake and never allowed anyone else to see the plans. Worse still, Manolo claimed that Fernald knew nothing about cutting and hauling cane and would not heed advice. Seigle was at the point of leaving. The wells were dug and the sugar house was a good one, but the boilers were so arranged that much bagasse fuel would be wasted, and the bagasse would be difficult to distribute evenly to the

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<sup>223</sup> *Ibid.* If reciprocity passed, Rionda wanted all the lands which had been cleared by Menocal (the Sitio Viejo) to be planted, even if it was necessary to dig drainage canals to the south. The cost of planting was low and Rionda wanted it done even if the quality was poor and the effects were temporary.

<sup>224</sup> MR to J. F. Craig, February 10, 1902, BBC, Ser. 2. By the term "moral influence" it would appear that what is meant is respect. No doubt the concept is also associated with the Hispanic idea of dignidad, patronismo, and perhaps machismo.

burners. The boilers themselves were an inexpensive type (Sterling) that Manolo disdained. Four thousand *carretas* of firewood were ordered but Fernald reduced that to 2000 at \$1.50 American gold per 100 arrobas.

The mill had six foot rollers and Manolo estimated its grinding capacity at not over 750 tons or 60,000 arrobas in 24 hours, whereas Tuinucu without a crusher and a smaller engine could grind 2800 to 3000 arrobas per hour. According to Manolo, even if Fernald were to grind 3000 arrobas per hour, it would still require 120 days to grind 65,000 bags of 325 pounds each. "I must say I was disappointed," said Manuel Rionda, "I always thought we were going to make at least 100,000 bags in the Francisco."<sup>225</sup>

The agricultural component presented even more serious problems than the manufacturing side. Seigle estimated that the fields would yield only 70,000 *arrobas* per *caballería*, not the 110,000 that Rionda had been advertising to the investors--the reason being that the cane had been planted too far apart. Only 40,000 arrobas per *caballería* could be expected in the 1903 season, thus Spring cane was a necessity.<sup>226</sup>

As to labor, Fernald favored bringing in cane cutters from other parts of Cuba (Trinidad, Cienfuegos, and Sancti Spiritus were mentioned), claiming that the Guayabal workers did not know how to cut cane. Manolo's response was "It seems to me that out of 500 men

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<sup>225</sup> Manuel E. Rionda to MR, March 1, 1902.

<sup>226</sup> *Ibid.* The low yield in the first year of "plant cane" was expected. Earle, Sugar Cane, p. 250. If approximately 40 caballerías had been planted, the expected yield would have been only 1.6 million arrobas, far below the 8 million Rionda had projected.

working now in that district, we certainly should be able to find 300 who would cut cane without going to the expense of bringing men from other parts of the Island.” Fernald planned to contract the cutting and hauling at \$1.50 per 100 arrobas, but Manolo thought \$1.25 was sufficient.<sup>227</sup>

Under the heading “Labor for planting,” Manolo outlined Fernald’s plans in regards to *Colonos* who would be needed to administer the additional 50 *caballerías* which had to be planted in May and June. Fernald wanted Seigle to go to Havana and Matanzas to bring back reliable men to plant ten *caballerías* or more each. He would advance \$500 per *caballería* at 1% per month payable at first cutting. The *colono* was to receive the usual five *arrobas* of sugar per 100 *arrobas* of cane delivered. <sup>228</sup>

With the exception of the sugar house and the railroad, which was reported to run well, requiring only 22 minutes to make the run from Los Ranchos to Guayabal, Manolo’s report was decidedly negative, particularly as it pertained to Fernald. Rionda was quick to send a copy of this report to Craig as if to say “See what you Philadelphia people have done.”<sup>229</sup>

In addition to what Manolo reported regarding Fernald, Rionda and Craig learned more that they did not like. Fernald made a contract with a J.H. Perez for a *colonia* of an unmentioned size in which he advanced \$1000 per *caballería*. “I am very much opposed

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<sup>227</sup> *Ibid.*

<sup>228</sup> *Ibid.*

<sup>229</sup> *Ibid.*

to having *colonos* on the debit side of the ledger.” Rionda stated. “At Tuinucu the *colonos* don’t owe us \$1500.”<sup>230</sup>

Once again backing away from his preferences for rich *colonos*, he now claimed to be in favor of subdividing the lands into small *colonias* (those lands already planted by the company farthest from the batey). “That is, to make some arrangement with some good, poor, hardworking people, whereby they will attend to the weeding and taking care of the cane during the dead season, the company giving them in return a certain amount of sugar.” The advantages of such a system, he reasoned, would be that the *colonos* would live on the Central: “We would have them as watch dogs.” “If they were industrious and hardworking with large families they could do the weeding and caring for the cane and cutting and lifting during the *zafra* far better than we can. We have some such small *colonos* in Tuinucu.”<sup>231</sup>

Rionda went on to say that

. . . while it may mean small advances to be made, these advances will be in lieu of wages. Say same thing--little more or less. The subdivision has the advantage of having men own the cane and that way looking after apparently their own interest but really the Company’s.

I should favor allowing those advances to small *colonos* or rather sub-contractors to be made by the tienda--as the greater portion will be in provisions, etc. That is the plan I follow in Tuinucu.

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<sup>230</sup> MR to J.F. Craig, April 5, 1902, BBC, Ser. 2.

<sup>231</sup> *Ibid.* Bergad points out that the use of family labor was another advantage the colono system offered the industry: “It is clear that the sugar industry’s global labor demands in the 1880s and 1890s were reduced or mitigated. One factor was the mobilization of family labor accompanying the proliferation of fractionalized colonias, whether owned or rented. Colono family income was linked to agricultural productivity, and this was a powerful stimulus to mobilize heretofore-marginal family labor. Laird W. Bergad, Cuban Rural Society in the Nineteenth Century: The Social and Economic History of Monoculture in Matanzas. Princeton, N.J.: Princeton University Press, 1990, p. 283.

The small *colonos* at Tuinucu, Rionda said, were paid \$1 or less per 100 arrobas of cane for weeding, cutting, and loading. At the Francisco Rionda said the pay would be some cents less as new ground does not grow weeds as well as the old.<sup>232</sup>

On April 9th, 1902, nearing the end of the Island's usual *zafra*, the Francisco Sugar Company began grinding its first cane. Two days later Rionda reported to Craig that everything was going smoothly.<sup>233</sup> Within hours, however, the alarmed Philadelphia office received word that a strike was occurring at Francisco.<sup>234</sup> Rionda was non-plussed.

Strikes in Cuba should not be considered in light of strikes in this country--they don't amount to anything. While Coma was in Guayabal he had several strikes and he overcame them very soon. You never hear of strikes in Cuba in the plantations--it is merely temporary dissatisfaction and I am sure if Mr. Fernald had a man there more experienced in the ways of the Cuban people, he would settle matters in a few hours. The workmen in Cuba are very docile; what they want is a good leader, and they follow like lambs. For all these reasons I paid very little attention to this strike, excepting that it keeps us from making sugar.<sup>235</sup>

But making sugar was what it was all about. In the second of three letters Rionda wrote on that day (multiple letters to the same

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<sup>232</sup> MR to J.F. Craig, April 11, 1902, BBC, Ser. 2. It is true that new ground would grow fewer weeds since the seed would not have had a chance to establish itself so well as in old ground. Of course there would be the cleaning [*limpiar*] to do, i.e. the machete work on the roots and stumps that would be trying to regenerate.

<sup>233</sup> MR to J.F. Craig, April 11, 1902 (first of that date), BBC, Ser. 2. The Minute Book reports April 2 as the first day of grinding, but this may have been a false start. The same source also reports that by the twenty-third 3500 bags had been made, but with great difficulty "owing to strikes of the field hands, preventing sufficient supply of cane and causing the work in the factory to be only partial and at great expense." Report by the President, Board of Directors Meeting, April 5, 1902, Ser. 90, Minute Book 1 (this report must have been read into the record after the fact).

<sup>234</sup> *Ibid.*

<sup>235</sup> MR to J.F. Craig, April 11, 1902 (third letter of three letters of that date), BBC, Ser. 2.

party written on a single date were always a sign of Rionda's heightened agitation) he assured Craig that "*Colonos* will prevent strikes--it being their interest to grind in the coming years."<sup>236</sup>

Fernald was in serious trouble. On that hectic April 11th, Rionda suggested that his brother-in-law, Pedro Alonso, be brought in as field-manager, the drawback being that the quick-tempered Alonso would conflict with the hot-headed Fernald (which in context was more suggestive of eliminating Fernald than scrapping the idea of bringing in Alonso). He had been in charge of Tuinucu for three years and according to Rionda had had excellent results.<sup>237</sup>

Grinding proceeded better than Manolo had expected.<sup>238</sup> At the conclusion of April 5000 bags had been produced and the mill was still grinding.<sup>239</sup> Nevertheless, Rionda told Craig that Fernald was not the man to run Francisco, as he did not know the Cuban people and was too quick tempered. <sup>240</sup>

On May 7th Rionda received a report that Fernald was flying the United States flag over the estate during Cuba's month of independence celebrations and that trouble was brewing.<sup>241</sup> This

<sup>236</sup> MR to J.F. Craig, April 11, 1902 (second letter of three letters of that date), BBC, Ser. 2.

<sup>237</sup> MR to J.F. Craig, April 11 (third letter of three letters of that date). This amount is equal to about 70,000 arrobas of sugar.

<sup>238</sup> Manolo had to admit that he had underestimated the mill as it was now grinding 1,000 tons in 24 hours. MR to Manuel E. Rionda, May 9, 1902, BBC, Ser. 2.

<sup>239</sup> MR to J.F. Craig, April 30, 1902, BBC, Ser. 2.

<sup>240</sup> MR to J.F. Craig, May 5, 1902, BBC, Ser. 2.

<sup>241</sup> Cuba officially received her independence on May 20, 1902. Naturally, celebrations began early.

incident was quickly followed by others, both at Francisco and Tuinucu. Rionda ordered the flags hauled down “as it was annoying the natives.”<sup>242</sup> Manuel favored either flying both the U.S. and Cuban flags or no flags at all. Cubans were ignorant of their debt to the U.S. in Rionda’s opinion, “and many things happening at Guayabal are done by poor, ignorant fools.” His heartfelt opinion was best expressed, however, when in reference to ‘old glory’ over Francisco he said, “I only wish it was all over Cuba.”<sup>243</sup> In truth, it was.

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<sup>242</sup> MR to J.F. Craig, May 7, 1902 and MR to Manuel E. Rionda, May 9. From the beginning of the Occupation, other North American estates had also flown the U.S. flag over their bateys. c.f. Atkins, Sixty Years in Cuba, p. 294.

<sup>243</sup> MR to J.F. Craig, May 7.

## CHAPTER V A FAILURE OF EXPECTATIONS: 1903-1909

### Production Gets Underway: 1902-1904

*"Let the other fellow grow the cane. I will turn it into sugar"*

#### The Crisis in Management

"... the work of making a sugar estate at Guayabal has been pushed as energetically as possible. Very few of our stockholders can realize the magnitude of the work done in contracting, shipping, and, 1500 miles distant, erecting a steel building 346 feet long and 138 to 176 1/2 feet wide, with its machinery, the railroad, and its bridges and clearing lands and planting cane in our virgin forests of two years ago."<sup>1</sup>

Thus Manuel Rionda, speaking for the Board, sought to allay the fears of restive stockholders who viewed with impatience an investment that as yet showed little prospect of significant returns. They were, after all, collectively investing hundreds of thousands of dollars in an industry that world wide had never been in worse condition, and in an island colony whose recent history was anything but inspiring of confidence. In addition, the United States, with no reciprocity treaty currently in force, was buying very little Cuban sugar. Table 5.1 below, adapted from de Abad, reveals the abysmal

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<sup>1</sup> Annual Meeting of the Stockholders, September 5, 1902. BBC, Ser. 90, Minute Book 1



decline in the proportion of Cuban sugars imported into the United States in 1900 as compared to previous years.<sup>2</sup>

Table 5.1. Cuban Sugars as Percent of Total Sugars Imported into the United States, 1825-1900.

| Year | Percent | Year | Percent | Year | Percent | Year | Percent |
|------|---------|------|---------|------|---------|------|---------|
| 1825 | 65.5    | 1850 | 86.9    | 1875 | 72.2    | 1900 | 16.9    |
| 1830 | 68.5    | 1855 | 92.2    | 1880 | 66.5    |      |         |
| 1835 | 77.6    | 1860 | 86.7    | 1885 | 47.0    |      |         |
| 1840 | 78.8    | 1865 | 86.5    | 1890 | 50.9    |      |         |
| 1845 | 79.1    | 1870 | 81.0    | 1895 | 51.8    |      |         |

Source: Lus V. de Abad. Azúcar y Caña de Azúcar. La Habana: Editorial Mercantil Cubano, S.A., 1945, p. 230.

Nor was the sugar market showing any significant recovery from the all time record low prices of 1901 when sugar dropped well below two cents per pound, at or below the average cost of production. In fact, in 1902 the average F.O.B. returns for Cuban mills remained below two cents at 1.93 and were little better in 1903 at 1.96.<sup>3</sup>

Yet hopes were high that the U.S. occupation forces would, from the North American standpoint, stabilize Cuba's volatile political life and that a reciprocity treaty could be worked through the U.S. Senate and thus sharply reduce the duties on Cuban sugar. If such a treaty could be effected, no other sugars would compete with the cheaply produced sugars of nearby Cuba, including even the domestic article.

Despite a cutters' strike, Francisco, under the supervision of Juan Fernald, managed to grind 3500 bags in the first three weeks of

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<sup>2</sup> It will be recalled that Cuba had no significant market for her sugar outside of the United States.

<sup>3</sup> Phillip G. Wright, The Cuban Situation and Our Treaty Relations. Washington: Brookings Institution, 1931, p. 154.

operation and an additional 6700 bags in the next thirty days for a total of 10,161 bags at 90° and 97° polarity. The season was too short to make an accurate analysis of the all important cost of the sugar, which figure would ultimately determine the success or failure of the venture. Rionda insisted, however, that the results demonstrated that “you [the stockholders] have a sugar factory capable of making sugar equal to any in the world and superior to most in Cuba, either in regard to quality or cost of production. . . .”<sup>4</sup>

Manuel went on to praise the machinery which he claimed performed its work “without a single hitch in any part,” and was careful to give full credit to McCahan for all his careful planning. He mentioned that contracts were being made with *colonos* involving about 1450 acres and that they were due to plant another 500 or more acres in 1903. Company plantings of nearly 3000 acres would bring the total close to 5000 acres of cane “which is probably as much as our present machinery could grind in a season.”<sup>5</sup>

Rionda said nothing about the labor troubles that had marred the Company’s debut, but he could not ignore the deplorable state of the market, which, he explained, was owing chiefly to the production of beet sugar in Europe fostered by the unfair bounty system which he predicted would end the following year and bring a rise in sugar prices. Rionda also blamed improved sugar-making machinery and the resulting lower costs of production as another factor contributing to the poor market.

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<sup>4</sup> Annual Meeting of the Stockholders, September 5, 1902.

<sup>5</sup> *Ibid.*

After imparting this cheerful news, he embarked upon an explanation of why the cost of the railroad and factory were higher than expected. He cited the increased cost of building construction in Cuba and the impossibility of forecasting the amount of duties to be levied on goods brought onto the Island. Neither of these reasons, in fact, are especially plausible, for the greater part of the skilled labor was brought from the United States and all of the materials were of U.S. origin; as to duties, they were determined by the Military Government whose policies were familiar to the industry and furthermore, subject to the political influence of the now active sugar lobby in Washington.<sup>6</sup>

The truth was that the management of Francisco was in disarray. A series of either inexperienced or temperamentally unsuitable and ineffectual resident Managers coupled with the lack of any concerted management policy from Philadelphia and New York periodically created chaotic conditions on the estate. Often it was a classic case of "Too many cooks spoil the broth." McCahan and the Craigs had one policy, Rionda another, and the Manager, caught between the two, developed a third. It would seem that Philadelphia had enough faith in Manuel Rionda to back his venture in amounts approaching one million dollars, but not enough faith to allow him to

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<sup>6</sup> In October 1900, John Craig stated that he expected to pay a ten percent duty on all sugar machinery taken into Cuba. On learning, however, that DeFord was importing sugar machinery into Puerto Rico duty-free, he wrote Rionda, who was on the eve of his annual trip to Cuba, to "sound Colonel Bliss . . . as to any possibility of securing encouragement for our enterprise and expenditure, by free entry for all or part." Perhaps this is to what Rionda was referring in the stockholder's meeting as to "the impossibility of determining duties in Cuba." John Craig to MR, October 31, 1900. BBC, Ser. 10. A request for special consideration had been denied by way of an unsigned, unaddressed War Department memo, August 29, 1900, BBC, Ser. 1.

run the operation as only he knew best.<sup>7</sup> It was no wonder that there had been serious trouble with the machinery contractors, the field hands, and everyone in between. Rionda's correspondence reveals that he was aware of the basic difficulty *vis-à-vis* Philadelphia, but with the majority of stock in the hands of the Pennsylvanians, along with the access to credit provided by McCahan, there was little he could do. As a result, matters were to continue as before, with only slight improvement, for the next six years.

### The Technology of Sugar Production in early 20th C. Cuba and Related Costs

Since the introduction of steam engines into the ingenios of the early nineteenth century, sugar-making had become a capital-intensive business.<sup>8</sup> Steam power not only incurred its own obvious

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<sup>7</sup> In fact, early in 1902 Rionda turned down McCahan's request to take on daily, hands-on control of Francisco, quite possibly because he knew that with the great majority of shares in other hands, he would necessarily become a whipping boy as things began to go wrong, an inevitability in such a venture. McCahan reacted vehemently to Rionda's rejection saying "I see that Mr. Rionda cannot afford to take hold of the Francisco more than he has been doing and I am very sorry for it, but if I had thought that he could not have taken the active management of the property, I would never have put a dollar into it nor allowed any of my friends to do so." John Craig to MR, January 2, 1902, BBC, Ser. 10. Later he collected himself and told Craig that he did not want MR to think he blamed him for Francisco ". . . but I just got it in my head that he would manage the Cuban, if we managed this end, as we knew nothing about the Cuban end." JFC to MR, January 6, 1902.

Late in 1909, B.F. Parker, a Francisco investor, met with Manolo, who described him as "emphatic in stating that the poor results obtained at the Francisco since it was first organized are due to poor management at Philadelphia and to the character of the President [John F. Craig]." Manuel E. Rionda to MR, December 10, 1909, BBC, Ser. 12.

<sup>8</sup> Steam power was experimentally introduced to the Jamaican sugar industry in 1768. The first Cuban steam powered mill was built in 1797, but it was not until the 1820s that steam became an accepted means of powering a mill. Cuba was slow to adopt steam and in 1846 only twenty percent of her mills were so run. By 1860, however, less than ten percent of Cuba's ingenios were animal powered, the great majority being either grouped as semi-mechanized or mechanized according to Moreno Fraginal's classification. Galloway, The Sugar Cane Industry, p.135, and Manuel Moreno Fraginals, The Sugar Mill, pp. 82-83.

expenses for the engine, the boiler(s) and the complex of transmission machinery, but it also forced a revolution in grinding methods. The old vertical three roller mills were replaced with much stronger, horizontal three roller mills that could use the greater power of steam engines to best advantage. The new rollers could be mounted in tandem which made possible multiple milling and thus greater extraction rates. As mill trains increased in size, larger engines with greater boiler capacities were required to power them, thus increasing enormously the size of the overall plant. These fully mechanized mills were, in the words of Moreno Friginals, "the germ of today's big sugar *central*." They were so different from what had come before that Moreno refers to them as "a separate phenomenon, requiring such a radical transformation that it could not grow upon the narrow foundation of the old type."<sup>9</sup>

Along with larger steam engines and longer mill tandems many important improvements were made in the boiling and curing process, notably the vacuum pan and the centrifugal.<sup>10</sup> The former device, by creating a partial vacuum, reduced the boiling point of the juice and thus brought major savings in fuel costs at a time when wood in much of Cuba was becoming increasingly scarce.<sup>11</sup> Again,

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<sup>9</sup> *Ibid.*, p. 83.

<sup>10</sup> Galloway, calling this a "revolution" notes that the "inspiration for the new processes and new equipment came from refineries in Europe and research in the sugar beet industry." *Ibid.*, p. 136.

<sup>11</sup> In late century mills began using open-fire boilers capable of burning bagasse (the remains of the crushed cane) which significantly reduced firewood requirements. Nevertheless, in 1906 Francisco was still burning thirty-five tons of firewood per month. Durham-Hatton Report on mill operations, May 4, 1906, BBC, Ser. 2.

however, its adoption in Cuba was slow due to its high cost (£40,000 to £50,000).<sup>12</sup>

The centrifugal was invented to speed the process of separating the molasses from the crystals. Formerly planters had relied upon gravity to purge the massecuites (the syrup emitted from the vacuum pans) which could take two to three weeks per batch. The centrifugal, revolving at speeds up to 2000 R.P.M.s, completed the purging operation in a matter of hours for the same amount of product. As the century advanced newer and much improved models were sold which reduced the purging time even further.

The foregoing is descriptive of the highlights of technological progress in the industry up through the 1880s. As the modern father of sugar technology, H.C. Prinsen Geerligs, points out, a new fervor among cane growers to further improve milling and extraction techniques began about 1883.<sup>13</sup> This was a time of rapidly declining prices in the face of European sugar beet competition and a concomitant labor crisis in Cuba. As a result of the efforts of sugar technicians and mechanical, chemical and industrial engineers, sugar technology, for the second time in the century, transformed the sugar mill into an unrecognizably different form.

The turn of the twentieth century saw the construction of the modern, highly capital-intensive sugarmills that exploited the concept of continuous-processing to a much greater extent than ever before. This can be seen very clearly in Cuba where the average product per mill increased

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<sup>12</sup> *Ibid.*

<sup>13</sup> H.C. Prinsen Geerligs. Cane Sugar and its Manufacture. London: Norman Rodger, 1924, pp. 11-112. Geerligs was Dutch and served at the sugarcane experiment station in Java for many years.

from 1877 to 1929 by about 9800 percent--a 190 percent average annual increase in the size of the plant.<sup>14</sup>

Alan Dye underscores his point by citing the average annual production per mill in various years. For example, in 1877 the average annual production per mill was 30,000 bags, but by 1904 this figure had risen to 417,000, or a fourteen fold increase, which was largely representative of the initial technological advances made during the last two decades of the century. By 1916, the average was up to 1,114,000 bags, or thirty-seven times the 1877 average and over two and one-half times what it had been only twelve years earlier.

#### Completing the Sugar Factory

As we have seen, after long months of tedious negotiations, the Francisco management failed to close the package deal with the sugar machinery manufacturers of Krajewski & Pesant for the mill at Guayabal. By now, with the increased participation of the Philadelphia interests, the decision regarding the choice of manufacturers was in the hands of W.J. McCahan and more particularly his son, James, who was apparently the expert on the mechanical aspects of the refining business. After receiving bids from several firms it had been decided to hire The George M. Newhall Company, engineering consultants, to shop for the manufacturers of each separate piece of equipment needed rather than accept a bid for the entire factory. The Newhall Company had agreed to have the mill in working order by the first of December,

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<sup>14</sup> Dye, Tropical Technology, p. 1.

1901, but this date was extended to January 15, 1902 and the mill did not actually begin grinding for yet another three months..<sup>15</sup>

The Whitney Iron Works of New Orleans was chosen to supply the mill itself including the rollers, the Marshall crushers, and Corliss engines, as that company's ability to ship direct from New Orleans rather than via New York gave it the edge over competitors. In addition, Whitney's Corliss engine was superior to the smaller engine offered by K & P<sup>16</sup>

Virtually everything in connection with the mill had been plagued with problems from the start. From choosing the site for the bately to that point at which the mill was finally operable, questions and delays, problems with both the skilled labor from the U.S. and the "common laborers" of Cuba, equipment delivery and assembly, erection of the structures--all seemed vexed. In addition to the discord among the contractors and between the contractors and the estate management as outlined earlier, sickness spread among the North American mechanics, and many were returned to the United States for treatment. What was worse, word spread, possibly in the Northern union halls, that Guayabal was a death trap, and it became difficult to find mechanics who were willing to leave their families

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<sup>15</sup> Board of Directors Meetings, September 12, 1900, and May 28, 1901, BBC, Ser. 90, Minute Book 1. It is interesting to note that many of the names of the industrial manufacturers of sugar equipment and related machinery of the period persist in late century: Whitney of Pratt and Whitney aircraft parts makers, Babcock & Wilcox, major boiler manufacturers, Belt-link, makers of a wide variety of linking mechanisms and associated track-borne heavy equipment, and of course General Electric and Westinghouse. Could it be that the sugar industry made a major contribution to the late nineteenth-century phase of the North American industrial revolution?

<sup>16</sup> John Craig to MR, November 5, 1900, BBC, Ser. 10, and MR to John Craig, May and June, 1905, Ser. 2, passim.



whom they might never see again to endure certain discomfort and possible sickness and death on the pestilent south coast of Cuba.<sup>17</sup>

As early as October of 1900 Henry P. Booth stepped down from the Board of Directors to make a place for James McCahan whose expertise in sugar machinery, it was believed, was needed in order to make intelligent choices regarding the erection of the mill.<sup>18</sup> James McCahan's experience was presumably with the refining end of the industry, but his advice, coming as it was from the son of W.J. McCahan, was heeded, and it was he who worked with George M. Newhall in planning the mill and making the critical decisions regarding engine and boiler sizes, the configuration of the boiling and evaporation equipment and the especially critical matter of the number, size, and arrangement of the rollers. Whereas Rionda had planned to have a nine roller mill (three tandem mills of three rollers each), James McCahan insisted that a two tandem, six roller mill would be more cost effective as the last three rollers, he said, would result in only a five percent increase in juice extraction and that that extra portion would be heavy in gums and salts and not worth the additional expense.<sup>19</sup> Within five years the mill would have to be largely restructured to increase capacity to match the available cane.<sup>20</sup>

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<sup>17</sup> John Craig to MR, November 8, 1901, BBC, Ser. 10.

<sup>18</sup> John Craig to MR, November 17, 1900, BBC, Ser. 10.

<sup>19</sup> John Craig to MR, October 27, 1900, BBC, Ser. 10.

<sup>20</sup> For an econometric analysis of the piecemeal investment in economies of scale which characterized the Cuban sugar industry in this and later periods see Dye, Tropical Technology, especially Chapters Three and Four.

### The First Zafras

The 1902/03 season was a good one for Cuba and for the first time since 1894 sugar production surpassed the one million ton mark.<sup>21</sup> Francisco began grinding on December 8th and finished on May 12th.<sup>22</sup> A total of 75,293 tons of cane were ground to produce 52,016 bags of sugar generating profits of \$56,468.21.<sup>23</sup> This gave a cane-to-sugar ratio of approximately .112 which was not bad for a start-up mill during this period..<sup>24</sup>

The financial statement of 1903 provides a glimpse of the estate's development.

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<sup>21</sup> Pérez, Cuba: Between Reform and Revolution, p.149.

<sup>22</sup> The date a mill commenced grinding was considered critical, as that date would largely determine the length of the grinding season which was, barring unusual interruptions, the determining factor as to the size of the harvest. The earlier the better, but if grinding was begun before the sucrose percentage in the cane had reached acceptable levels, cane was largely wasted. December 8th was about average, but in an especially favorable year when early cold fronts descending from North America had cooled the air and dried up the fields, the sweetened cane could be harvested allowing grinding to begin in late November.

<sup>23</sup> Annual Meeting of the Stockholders, October 14, 1903. BBC, Series 90, Minute Book 1.

<sup>24</sup> The average cane to sugar ratio in Cuba in 1924 was about eight to fifty or .160. Franklin S. Earle, Sugar Cane and its Culture. New York: John Wiley and Sons, 1928. During that twenty-two year interval, however, the efficiency of Cuban mills had improved. Dye provides statistical evidence that new mills, on average, produced below average yields (or, in other words had higher cane requirements) in approximately the first three years of operation. He rejects the idea of a learning curve as the sole explanation for this phenomenon, focusing instead on adjustment costs which were based on the "inelasticity of supplies of some inputs in the short run." Areas in which adjustment costs apply are the cost of installing new equipment, the costs of developing new canefields and the "learning/uncertainty of internal innovation." Dye, Tropical Technology, pp 75-112. Dye, necessarily for his purposes, de-emphasizes the agricultural component and does not take into account the several uncertainties regarding yield. Plant cane is often thought to produce higher yields (for example the Louisiana Planter reported that Manatí produced an extraordinary 140,000 arrobas per caballería in its first year of operation) but Earle states that first and second ratoons yields may be equal or higher than plant cane yields (See p. 58, ) and Rionda believed that the first few harvests were always lower in percentage of sucrose.

|  |               |
|--|---------------|
| Lands  | \$100,000     |
| Sugarmill and machinery                        | 775,000       |
| Railroad and equipment                         | 235,000       |
| Canefields                                     | 145,000       |
| Dwelling furniture, stores, and laborer's huts | 30,000        |
| Tugboat and lighter                            | 13,500        |
| Machine shop and tools                         | 2,500         |
| Oxen(85), horses(6), carts and harness         | 9,000         |
| Telephone                                      | <u>1,250</u>  |
|  | \$1,334,146   |
| Advances to <i>Colonos</i>                     | <u>35,000</u> |
|  | [\$1,369,146] |

The \$35,000 advanced to *colonos* represents approximately \$580 per *caballería*, or just over half of the \$1000 per *caballería* which came to be the standard in later years. As this was the period in which the *colonos* were establishing their *colonias* and thus the time of greatest need, the relatively modest advances probably reflect the capital constraints of the company and possibly that of the greater risk factor, given that with the exception of Higinio Fanjul, these *colonos* were not known to the company and had no credit records.

It is noteworthy that aside from the factory, the largest, single item of capital investment was the railroad, representing 17 percent of the total, the land accounting for only just over seven percent. This heavy investment in the transportation infrastructure of the central was to be typical of the large twentieth-century mills of eastern Cuba. First, it must be recalled that these mills owed their very existence to the possibility of economically constructing extensive rail systems and thus expanding the areas of available cane necessary to feed mills of much greater capacities than their

predecessors. Second, but no less important, was the necessity for as rapid and continuous cane delivery as conditions would allow in order to take the fullest advantage possible of the principal of continuous operation without which these investments would have been ruinous.

In addition, the railroad at Francisco had a considerable advantage as a self-contained system, independent of the public railroads, and with direct access to the port at Guayabal, both of these advantages being characteristic of many of the new eastern mills. The Company was not affected by the policies, rates, or perhaps most importantly, the current state of disrepair of any public railroad.<sup>25</sup> Later this advantage would be compounded with the extension into the newly acquired Central Elia where the line was connected to the Cuba Railroad, thus giving Francisco's management bilateral monopsony: the option of shipping either direct by sea or overland to a north coast port in the event the steamship lines serving the south coast announced unacceptable rate hikes. For reasons of these existing and potential advantages, it was always the aim of management to build and maintain a reliable and extensive railway system which was extended to new *colonias* as they were developed until at least 1930.<sup>26</sup>

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<sup>25</sup> In the case of centrales with private rail systems who also dealt with colonos independientes, the lack of access to public lines gave the central an additional bargaining advantage in that these colonos had no way to move their cane except by the Company line. Dye, Tropical Technology, pp. 137-39.

<sup>26</sup> Annual Reports, BBC, Ser. 96, passim. Extensions were built in 1903 amounting to two miles of additional track and twenty cane cars were purchased. Annual Meeting, October 14, 1903.

In October of 1903 the Company hired a permanent sugarmaster to replace a series of temporary men. Mr. Stromeyer was granted his request to bring six men with him, two chemists, and four other assistants.<sup>27</sup> Such a request would have been unlikely before the war, but the new *centrales* were now willing to invest, not only in the most modern laboratory equipment, but also in university-trained men to regulate and test their sugars.

The increased outlays required the Board to request that the stockholders authorize an increase in the capital stock by 750,000 so as to liquidate company indebtedness and buy additional machinery. Thus the authorized capital stock of Francisco would now stand at one and one half million dollars.<sup>28</sup> Such a move would have been quite unlikely were the industry not certain of relief from the full tariff on sugars. The directors expressed their hopefulness that a reciprocal reduction of duties would come about by the time of the 1903/04 crop so as to bring sugar prices up to a profitable level.

### The Question of Tariffs

"The boundaries between Cuba and North America were not boundaries defined by differing access or abilities to adopt the new mass production technologies and the new modern business practices; they were defined by access to markets."<sup>29</sup>

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<sup>27</sup> John Craig to MR, October 5, 1903, BBC, Ser. 10.

<sup>28</sup> Annual Stockholders Meeting, October 14, 1903, BBC, Ser. 90, Minute Book 1.

<sup>29</sup> Dye, Tropical Technology, p. 219. "The lack of diversification and adaptability was certainly a source of instability to Cuba, but Cuba's major problem as regards the sugar industry lay elsewhere . . . the more threatening source of instability over which Cuban producers had little control was the closure of her markets . . . the actions of policy makers in the U.S. were crucial for maintaining the market." (pp. 206-07)

The history of tariffs in regard to Cuba is a long and somewhat confusing one, and does not necessarily make for an enthralling story, but Alan Dye is correct; nothing had a more critical bearing on the rather serpentine course of the Cuban sugar industry than United States tariffs on Cuban sugar. Much has been written on the topic, as no history of modern Cuba could possibly ignore it.<sup>30</sup> For our purposes, a brief sketch will serve as recognition of this important, underlying determinant.

A fundamental fact in regard to the world sugar market that must be understood--or nothing else makes sense--is that through the late nineteenth and twentieth centuries there was virtually no duty-free sugar.<sup>31</sup> Producers around the earth depended on securing favorable trade agreements with at least one major market, even during the so-called era of free trade. If foreign sugars were not blocked out by a high tariffs, then domestic sugar prices were propped up by government bounties. The Brussels Convention of 1902 ameliorated the European bounty situation to some degree, but protective policies remained. Thus it becomes easier to understand why the frantic scramble on the part of Cuban and Cuban-based sugar producers to secure a favorable tariff with the United States, for without that great market, Cuba would have been left very much out in the cold.

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<sup>30</sup> For works wholly devoted to the subject see Wright's works, The Cuban Situation, and Sugar in Relation to Tariff, Washington: The Brookings Institution, 1924.

<sup>31</sup> Only Great Britain lacked protective tariff barriers and she reversed that policy in 1914. Dye, Tropical Technology, p. 35.

United States tariff policy began affecting Cuban sugar production as soon as exports became significant.<sup>32</sup> During the Civil War U.S. tariff legislation was engineered to discourage the development of a refining industry in Cuba by penalizing sugar with the highest sucrose content.<sup>33</sup> By the 1880s the North American market was absorbing over eighty percent of Cuba's sugar and a conglomerate of East Coast sugar refiners was now powerful enough to profoundly effect any legislation affecting them. In 1888 Henry O. Havermeyer succeeded in uniting this group into a single combination, The American Sugar Refining Company, known in Rionda's circle as 'The American,' but to the newspaper-reading public as the 'Sugar Trust.' "For the next twenty years, from seventy to ninety percent of the refined sugar consumed in the United States was supplied by this one company," which made it "the American market for Cuban sugar." As a result of these developments, the duty on raw sugar declined from ten cents per pound in 1870 to just over three cents in 1894.<sup>34</sup>

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<sup>32</sup> In addition to U.S. tariffs, there were, of course, extremely muzzling Spanish tariffs up to the end of the colonial era. Under the Spanish the duty schedule was predicated on the four hoary categories of the mercantilist era: Spanish goods in Spanish bottoms, Spanish goods in foreign bottoms, foreign goods in Spanish bottoms and foreign goods in foreign bottoms, each successive category requiring higher duties. see Atkins, Sixty Years in Cuba, pp. 77-81.

<sup>33</sup> Manuel Moreno Fraginals, El Ingenio. Complejo Económico Social Cubano del Azúcar. (Vol 1.) Havana: Editorial de Ciencias Sociales, 1978 pp. 194-95. cited in Scott, Slave Emancipation in Cuba, p.37 and p. 206.

<sup>34</sup> Jenks, Our Cuban Colony, p. 29 (emphasis mine). Between 1856 and 1891 inclusive the United States treasury collected over one billion dollars under the sugar schedule (p.20) and ". . . formed the most important single item in the revenue from customs . . . ." F.W.Taussig, The Tariff History of the United States. 8th ed., New York: Reprints in Economics Classics. Reprinted by Augustus M. Kelly Publishers, 1967. First published:

The Tariff Act of 1890, known as the McKinley Tariff, admitted all raw sugar duty-free and as protection to the Trust, imposed a one-half cent per pound duty on refined, which, from the perspective of the refiners, in effect, left the situation more or less as it had been for decades. The McKinley Tariff also compensated domestic producers by granting a bounty equaling the former duty.<sup>35</sup> Grafted onto the McKinley Tariff, however, were the reciprocity provisions which authorized the President to impose by proclamation duties on sugar, molasses, tea, coffee, and hides, if he believed that any other country was imposing unfair duties on our goods. Thus reciprocity satisfied the critics by giving the government greater flexibility in dealing with unforeseen situations.

The application of reciprocity to Cuba was negotiated separately and came to be known as the Foster-Cánovas Treaty. In its short three-year tenure it stimulated trade between the U.S. and Spain and Cuba, but in 1894 the treaty expired, and by then relations between Spain and the U.S. were rapidly deteriorating.<sup>36</sup> The effective abrogation of Foster-Cánovas did little to warm the atmosphere between the two governments.

In late Spring of 1894, Edwin Atkins wrote to Senator Nelson W. Aldrich about a matter which he described as "Far more worrying than bandits. . . ."<sup>37</sup> It was the pending Wilson-Gorman Tariff Act of

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New York: G.P. Putnam & Sons, 1931, p. 276. For an excellent study of the sugar refining industry in the period see Eichner, The Emergence of Oligopoly.

<sup>35</sup> *Ibid.* (Taussig)

<sup>36</sup> Russell H. Fitzgibbon, Cuba and the United States.

<sup>37</sup> Atkins, Sixty Years in Cuba, p.143.



1894, which imposed a forty percent *ad valorem* tax on raw sugar and additional slight rates on refined. This legislation provides the textbook case of the power of trusts, under the Republican administrations of the period, to influence public policy. Thanks to the efforts of muckracking journalist, the public was alerted to the backroom machinations of the big trusts, and Henry O. Havermeyer and his Sugar Trust were principal targets of suspicion. Nevertheless, when the smoke cleared, the Trust, which had allied itself with domestic sugar interests, came away with virtually all it had desired.<sup>38</sup>

The *ad valorem* duty amounted to about half of the pre-1891 duty and owing to a declining market, brought in much lower revenues than expected. As a result, in 1897 the tariff on raw sugar was nearly doubled. A specific duty was imposed that varied with the purity of the product but ranged up to 1.65 cents per pound on 95° sugars.<sup>39</sup> Such a measure could hardly have come at a worse time for the Cuban sugar industry.

The great battle over sugar tariffs was, however, yet to come. The military occupation after the war promised to establish ideal conditions for North American investment, and Leonard Wood,

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<sup>38</sup> To secure the crucial votes of the two Louisiana senators, a duty was imposed on raw sugar. To partially assuage the Cuban producers, a special duty under the Dingley Bill placed a countervailing duty upon bounty sugar to put Cuban sugar on same the basis as German sugars. Charles Harcourt Ainslie Forbes-Lindsay, *Cuba and Her People Today*. Boston: L.C. Page & Co., 1911, p.180. The *ad valorem* duty favored raw sugar over refined which leads to speculation that the Sugar Lobby engineered the entire procedure. For a detailed explanation of this complex issue, see Taussig, *The Tariff History*, pp. 309-16.

<sup>39</sup> *Ibid.*, pp. 348-49.

desiring to nourish these investments from the start, launched a unrelenting campaign. Richard Weigle refers to it as

. . . a second great Cuban crusade . . . as the knights errant of the north flocked to the standard to keep faith with Cuba. Instead of San Juan Hill and the broad reaches of the Caribbean, the battlegrounds . . . were party caucuses, committee meetings, and congressional hearings, as well as the floors of the House and the Senate. Repercussions were to be felt all over the country in barrages of propaganda, broadsides through the mails, and the more subtle penetration of the press. The new crusade was destined to confront the determined resistance of the American cane and beet-sugar forces. Only after bitter fighting did reciprocity finally win the day<sup>40</sup>.

Those sardonically dubbed "knights errant" were principally Elihu Root, Secretary of War in the McKinley cabinet and his lieutenant, General Leonard Wood.<sup>41</sup> Root, in his report to Congress, wrote "The uncertainty whether that agreement can be made now stands in the way of the revival of the sugar industry in Cuba."<sup>42</sup>

Wood was far more vehement. Writing to Senators Aldrich, Foraker and Platt he pleaded

You must do something for me! I am doing all I can under the circumstances, but no one man can stand up against bad business conditions and political agitation combined with uncertainties as to the future. . . . I trust you will do what you can to get the 25 percent reduction

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<sup>40</sup> Richard Daniel Weigle, The Sugar Interests and American Diplomacy in Hawaii and Cuba, 1893-1903. Ph.D. Dissertation, Yale University, 1939. University Microfilms, Inc, Ann Arbor, Michigan, 1970.

<sup>41</sup> Before Wood took effective command in Cuba (December, 1899), Brigadier-General James H. Wilson, and Major-General John R. Brooks were also vigorous supporters of reciprocity. As early as December, 1898 President McKinley had given the executive seal of approval to the principal of reciprocity with Cuba: "It is important that our relations with this people shall be of the most friendly character and our commercial relations close and reciprocal." Quoted in Wright, The Cuban Situation, p. 23.

<sup>42</sup> House Document no. 2, vol. 2, 56th Congress, First Session, cited in Weigle, The Sugar Interests, pp. 246-47.

at least in the import duties paid by Cuban sugars. This will do more than all else to make us masters of the the situation here.<sup>43</sup>

While Wood fulminated in public and private, men such as Edwin Atkins, H. O. Havermeyer and Rionda's friend, Luis Placé, strategized behind the scenes. There were quiet meetings with Mark Hanna, Orville H. Platt, Root, and the President himself.<sup>44</sup> Root, however, was gloomy as to the prospects of a bill in the face of overwhelming pressure from the domestic sugar interests. But by February, 1901, Senators Platt and Spooner, and Secretary Root had prepared an amendment which Platt introduced to the Army Appropriation Bill defining the future relationship between the United States and Cuba. The government could now make use of a carrot as well as what would soon become known under Roosevelt as its "big stick." If Cuba would acquiesce to give up some of her sovereignty, the U.S. would reward her with a reciprocity treaty (which, of course, was of chief benefit to the United States, as the long-term effect of reciprocity was probably not in the best interests of the Cuban people).<sup>45</sup>

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<sup>43</sup> Wood to Senator Joseph B. Foraker, January 11, 1901. "The Papers of Major-General Leonard Wood," Library of Congress, cited in Hermann Hagedorn, Leonard Wood, a Biography, (2 vols), New York, 1931 and Weigle, The Sugar Interests, p. 249.

<sup>44</sup> MR to Luis Placé, February 11th, and 14th, BBC, Ser. 2.

<sup>45</sup> Pérez asserts that reciprocity encouraged dependency upon sugar, increased foreign control of the industry, discouraged diversification in the economy and also suppressed the Island's manufacturing industries by flooding the market with cheaper U.S. goods admitted at sixty percent of Cuban duties. See Cuba: Between Reform and Revolution, pp. 198-99. On the other hand, it is difficult to find any contemporary observers who would have agreed with Pérez's assessment. Even the left/nationalist Ramiro Guerra, writing in the twenties (Sugar and Society), seems unable to imagine a Cuba without sugar. On the other hand, Fernando Ortiz (Cuban Counterpoint: Tobacco and Sugar) argues for tobacco as representative of the ur Cuba. Wright sums up the relation of sugar to Cuba as follows: "In

With the assassination of McKinley in September, 1901, Roosevelt ascended to the Presidency and the United States' true intentions regarding Cuba became even more apparent. For Roosevelt, as had long been the case for Wood, reciprocity was a means to an end--the end, that is of Cuba as an independent republic.

This is natural sugar and tobacco country and as we must, in any case, control its destinies, and will probably soon own it, I believe it sound policy to do what we can to develop it and make it prosperous. There is, of course, little or no real independence left in Cuba under the Platt

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sugar, then, has been found the basis of Cuba's prosperity and resiliency from disaster; in sugar is also found her Achilles heel." The Cuban Situation, p.173.

Celso Furtado argues that the character of economic change in export-oriented economies differs depending on the product(s) exported. In regard to countries which historically have been exporters of tropical agricultural products, he states "On the whole, tropical commodities were of little significance as a factor in development, although they did involve the opening up of large areas for settlement." According to Furtado, economic development was limited by low prices influenced by low wages and that such exports "did not usually require the creation of a complex infrastructure . . . ." and in many regions, he claims, "traditional transport continued to be used." Another factor he points to is the lack of capital to develop value-added technologies thus such areas "tended to remain in the framework of traditional economies."

In Cuba there came to be plenty of capital, but it was largely foreign. Local industries, even with access to capital and credit, could not compete with most U.S. manufactured products. Manuel Rionda discouraged his brother-in-law from buying a Cuban distillery for the making of aguardiente, reminding him that "we arn't going to sell anything well that can be made on this side [the United States]." MR to Pedro Alonso, April 4, 1900, BBC, Ser. 2. On the other hand, by the end of the nineteenth century the sugar industry did require a certain infrastructure to compete, but the rail network which developed around the industry typically did little for the national transportation infrastructure, and cannot, therefore, be considered a sign of development in the full sense of the word. Furtado admits that in some areas tropical export agriculture did play an important role in development, mentioning São Paulo and coffee. He does not mention Cuba. In citing the reasons why coffee influenced development he lists the following: 1) the high productivity of labor; 2) the vast size of the area planted, and 3) the use of European immigrants "who demanded monetary wages." He goes on to claim that São Paulo was a special case because the Paulista highlands supplied 2/3 of the world's coffee. But all three of Furtado's provisos were satisfied in Cuba. In addition, Cuba supplied over half the world's sugar in the nineteenth century and a far greater volume in the twentieth century; Sugar, though lower in value than coffee, is used for multiple purposes thus generating a far greater volume of trade, and most importantly sugar was manufactured on site while coffee was sent abroad as an unprocessed bean. See Celso Furtado, The Economic Development of Latin America: Historical Background and Contemporary Problems, Cambridge University Press, 1976, p. 48. This issue continues to be debated among Cubans today.

Amendment. The more sensible Cubans realize this and feel that the only consistent thing to do now is to seek annexation.

and,

With the control which we have over Cuba, a control which will soon undoubtedly become possession, combined with the other sugar producing lands which we now own, we shall soon practically control the sugar trade of the world . . .<sup>46</sup>

This atmosphere of virtually unbridled imperialism in conjunction with new alliances within the sugar industry, gave the edge to the internationally interested sugar lobby, defeating the representatives of the domestic product. On December 11, 1902, five days before the final passage of the Treaty by the Senate, Rionda expressed cautious optimism to his friend John Craig:

" . . . it is believed the U.S. Senate is now favorable at twenty percent--but large bodies move slowly--the Cuban House of Representatives seems anti-American and the final outcome and *when--Quien sabe?*"<sup>47</sup>

The Treaty did, in fact, reduce the tariff on Cuban sugars by 20 percent, and the opinion of the Cuban House of Representatives was no longer particularly relevant. The victory was not total, as the Cuban sugar lobby had wanted a larger reduction, but after three years of anxiety, the passage of the treaty was a great relief to Rionda and his friends. Of course those who engaged in the long hours of lobbying and letter writing had to be compensated. At the Board meeting of January 7, 1902, the Board of Directors of the Francisco Sugar Company voted to approve a \$250 contribution to a special fund (half of the amount Hugh Kelly had requested) to defray

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<sup>46</sup> Wood to Roosevelt, October 28, 1901, Roosevelt MSS., cited in Richard Daniel Weigle, The Sugar Interests, pp. 255-56.

<sup>47</sup> John Craig to MR, December 11, 1902, BBC, Ser. 10.

“certain expenses in Washington during the present winter, in connection with the sugar interests in Cuba.”<sup>48</sup>

The Reciprocity Treaty not only created a most salutary environment for the growth of the Cuban sugar industry, but also had brought together the two warring camps composed of the East Coast refiners and Cuban sugar growers and traders on the one hand, and the domestic beet and cane sugar interests on the other. Henry Havermeyer and the American Sugar Refining Company had invested heavily in the beet sugar industry during 1902, and for the first time, the sugar industry spoke with a single voice. Had not this been the case, the Treaty would not have passed.<sup>49</sup>

There were to be more tariff battles in the ensuing years, but they would be little more than holding actions. From about 1910 until 1930 (and The Smoot-Hawley Act) the great majority of sugar imported into the U.S. from foreign soil was Cuban sugar, thus the duty schedule for Cuban sugar became the *de facto* sugar schedule.<sup>50</sup>

Agreeing with Albert and Graves, Alan Dye argues that “the peripheral location and the monoculture” of the Cuban sugar industry introduced a high degree of instability in the market for Cuban sugar, but that “the source of the instability was not the availability on the

<sup>48</sup> Board of Directors Meeting, January 7, 1902, BBC, Ser. 90, Minute Book 1.

<sup>49</sup> Jenks points out that the Congressional delegation from Michigan voted in favor of the Treaty, whereas a year before it had opposed it unanimously. The reason: Havermeyer had bought the largest beet sugar company in the state. Jenks, Our Cuban Colony, p. 138.

<sup>50</sup> In 1910 the percentage of Cuban sugar of all sugar imported into the United States for the first time reached approximately 90 percent. Excepting the years 1912 (87 percent) and 1920 (74 percent), the figure never fell below 90 percent and averaged for the period 94.5 percent. Wright, The Cuban Situation, p.59 (average calculated by this author).

supply side of unlimited competitors. It was the restricted possibilities for selling the product on the demand side and the high degree of adverse intervention during times of crisis.”<sup>51</sup> Plainly, the reactive protectionist policies evidenced in the critical years of 1897, 1922, and 1930 were serious attacks upon the future of the Cuban industry, although in each case these policies were eventually modified if not reversed, and the Cuban trade recovered.

### From Reciprocity Through the Second Occupation: 1904-1909

#### Capital Growth Continues

With the promise and finally the reality of reciprocity and the correlative authorization of additional capital, the Company forged ahead with improvements in the plantation's infrastructure in late 1903 and the early part of the following year.<sup>52</sup> The railway was extended into the *colonias* of the troublesome F.F. Peraza and Manuel's twenty-seven year old nephew, Higinio Fanjul. Phone service was established with three of the largest *colonias*, but the Company paid nothing for the extension of phone lines from Los Ranchos to Guainiaro “which would practically give us direct communications with the U.S.” The cost of this improvement was

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<sup>51</sup> Dye, Tropical Technology, pp. 212-213. See also the standard works on the topic by Bill Albert and Adrian Graves, The World Sugar Economy in War and Depression, 1914-1940. London: Routledge, 1988, and Crisis and Change in the International Sugar Economy 1860-1914 Norwich and Edinburgh: ISC Press, 1984.

<sup>52</sup> Capital was raised by a private stock offering for stockholders, but five months after its authorization in May of 1904 it had still not all been taken up. Board of Directors Meeting, October 5, 1904, BBC, Ser. 90, Minute Book 1.

born by the Guardas Rurales "in exchange for the benefits they would derive therefrom."<sup>53</sup>

The 1903/04 grinding season began under the direction of Manuel's nephew Pedro Alonso, the fifth manager of Francisco in four years.<sup>54</sup> Grinding started on December 4th and lasted until May 26th. The mill ground 95,000 tons of cane producing 69,153 bags of firsts and seconds representing both administrative cane and that of the *colonos*. The latter received 17,843 bags in payment for their cane, representing about one quarter of the total production.<sup>55</sup> If for every one hundred arrobas of cane ground there were produced eleven arrobas of sugar, and the *colonos* were receiving five, the mill took six.<sup>56</sup> Given the above, it can be calculated that the *colonos* produced 55,799 tons of cane or about 59 percent of the cane

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<sup>53</sup> Board of Directors Meeting, December 16, 1903, BBC, Ser. 90, Minute Book 1. Close cooperation between the centrales and the Rural Guards was universal during this period. Posts were often located within the bounds of sugar centrales, as was the case at Francisco, where many of their needs were provided such as pasture, water, free barracks, and communications. In 1905, of 288 posts, only 28 were owned outright by the state. Louis A. Pérez, Jr., Lords of the Mountain: Social Banditry and Peasant Protest in Cuba, 1878-1918. Pittsburgh: University of Pittsburgh Press, 1989, pp. 124-25.

<sup>54</sup> Fernald's contract was not renewed as a result of continuing labor problems and deliberately set fires toward the end of the zafra. Rionda persuaded the Board to allow his brother-in-law to sit in for a year until a permanent man could be found. Alonso had been at Tuinucu since the conclusion of hostilities. He had successfully revived that estate and had been very critical of past administrations at Francisco. Board of Directors Meeting, October 7, 1903, BBC, Ser. 90, Minute Book 1.

<sup>55</sup> Board of Directors Meeting, September 8, 1904, BBC, Ser. 90, Minute Book 1.

<sup>56</sup> The colonos were then receiving about 45 percent of the sugar manufactured from their cane. Land-owning colonos in Matanzas in the early 1890s were receiving the same five arrobas per 100 arrobas of cane as colonos at Francisco ten to twenty-five years later. But because of improved technology resulting in higher extraction rates, their five arrobas equalled 45 to 50 percent of the sugar from their cane. Laird W. Bergad, Cuban Rural Society in the Nineteenth Century: The Social and Economic History of Monoculture in Matanzas. Princeton, N.J.: Princeton University Press, 1990, p. 280.



harvested in the 1903/04 zafra. Thus the administrative cane accounted for 41 percent of the total and the Company received 75 percent of the sugar produced. In addition, the Company likely bought the sugar the *colonos* received in payment to resell it at a profit. In May the Board resolved to declare a dividend despite continuing low prices on in the sugar markets.<sup>57</sup>

### Cuban Political Developments and the Liberal Uprising

In May of 1902 Estrada Palma had made his triumphal inaugural journey from his home, the old revolutionary town of Bayamo, to the capital. His early disassociation from any political party after the model of George Washington, seemed to bode well for the future of the new Republic, but his failure to achieve any program, his subsequent alignment with the moderates, and the arrogance of his replacement 'fighting cabinet,' soon led to bitter resentments on the part of the Liberals. Led by José Miguel Gómez, the Liberals capitalized on the disappointment and dissatisfaction of the war veterans to build a party strong enough to win the Presidency in the 1905 elections. The moderates, however, would not allow it; they used their control of the *alcades* to promote widespread and blatant fraud precipitating an armed rebellion which broke out immediately after Estrada Palma's acceptance of a second term in May of 1906.

The Liberal, or August Revolution as it is also known, gathered momentum through the summer of 1906. Its principal leaders were

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<sup>57</sup> Board of Directors Meeting, May 9, 1904, BBC, Ser. 90, Minute Book 1.

General Faustino ('Pino') Guerra, José Miguel Gómez and Alfredo Zayas.<sup>58</sup> Most of the conflict took place in Pinar del Río, where in a short time fifteen to twenty thousand rebels took to the field against the government's "few thousand incompetent and untrustworthy rural guards and militia."<sup>59</sup> Unable to cope with the rebellion, Estrada Palma requested two battleships be sent to Havana and Cienfuegos. In addition to the warships, Roosevelt sent an open letter warning Cuba to avoid anarchy or face intervention. Taft and Bacon were sent to Havana to confer and reported back that the government could not be maintained as it had no moral support from the people. The U.S. arranged a compromise but Estrada Palma refused to sign it, insisting instead on resigning. It was obvious that the elderly Cuban President was using his threat of resignation as a means of forcing the hand of the United States to intervene, for Estrada Palma, like Manuel Rionda, had always seen annexation in Cuba's future and believed that a second occupation would lead to just that.<sup>60</sup> "So far," said Rionda, "this war has been a blessing, as it has shown us the effectiveness of the Platt Amendment. . . . The question is, how long will the Americans remain? I sincerely hope it will be for many years to come."<sup>61</sup>

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<sup>58</sup> Charles Edward Chapman, A History of the Cuban Republic: a Study in Hispanic American Politics. New York: Octagon Books, 1969, pp. 191-95.

<sup>59</sup> Fitzgibbon, Cuba and the United States, p. 115.

<sup>60</sup> This interpretation of events is that of Chapman, and Fitzgibbon. Rionda, not surprisingly, expressed his hopes that the fighting would lead to annexation of the Island by the U.S. MR to John Craig, August 23, 1906, BBC, Ser. 10.

<sup>61</sup> MR to John Craig, October 1, 1906, BBC, Ser. 2.

There were, so far, no reports of serious damage to any of Rionda's mills. That the rebels left Rionda's estates alone was perhaps owing to his patent insistence on complete political neutrality and refusal to allow any political meetings on company property.<sup>62</sup> John Durham, Francisco's first really capable manager, wrote "There is some reflection of political unrest here, but the leaders of the opposition appreciate the fact that we gave them a square deal last year and I have no fear of harm to Francisco."<sup>63</sup> Despite this reassurance, Rionda was concerned enough about the possibility that rebels would attack Francisco to have rural guards stationed on the property. In September, the government removed the guards, much to the company's consternation: ". . . we are left without protection, other than our few private guards," Craig bleated.<sup>64</sup> Durham sent a protest to the commanding officer of the district complaining that there was "not a law officer nearer than Santa Cruz now."<sup>65</sup> Nevertheless, efforts to organize a home guard were rebuffed: "Peraza has asked permission to arm and drill 100 men to protect the estate and its *colonias* (I fancy, especially to protect Peraza's 40/50 yoke of cattle) but we have told him No!"<sup>66</sup>

On September 14th Rionda heard that the three sugar estates of San José, Constancia, and Hormiguero in the province of Santa

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<sup>62</sup> MR to Higinio Fanjul, August 19, 1905, BBC, Ser. 2.

<sup>63</sup> John Durham to MR, August 25, 1906, BBC, Ser. 1.

<sup>64</sup> John Craig to MR, September 11, 1906, BBC, Series 1.

<sup>65</sup> *Ibid.*

<sup>66</sup> John Craig to MR, September 15, 1906, BBC, Ser. 1.

Clara had been destroyed.<sup>67</sup> While Rionda assured Craig that Francisco was “not disturbed by insurgents” and that all was quiet except “schoolboys who are roaming around the country, but doing no harm,” he, nevertheless, was writing to Secretary of State Taft requesting more protection for North American properties in Cuba.<sup>68</sup> If estates needed protection they were to apply for marines to the U.S. legation in Havana, he was told.

“The Cuban government also offered us Cuban soldiers, but the insurgents in the neighborhood have shown themselves so friendly towards Tuinucu and all connected with it, that my nephews are inclined to let things stand as they are. . . .”<sup>69</sup>

He therefore advised Craig that he thought no protection was necessary at Francisco. “. . . it is hardly possible that anything could happen there.”

Camagüey and Oriente “participated only slightly in the uprising,” perhaps because the provincial leaders of the rebellion in Oriente, General Castillo Duany and Juan Gualberto Gómezdo, were seized by the government in the first days of the conflict.<sup>70</sup> Though no doubt relieved that the Company’s mill had been spared, the trouble could not be over soon enough for John Craig, who wrote Rionda wanting to know if “ordinary men who have followed Guerra,

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<sup>67</sup> MR to John Craig, September 14, 1906, BBC, Ser. 2.

<sup>68</sup> MR to John Craig, September 17 and 21, 1906, BBC, Ser. 10. As with Craig, he reassured Hedemann that “intervention would secure the Island,” and that “so far only a few railroad bridges have blown up.” MR to Hedemann, September 13, 1906, BBC, Ser. 2.

<sup>69</sup> MR to John Craig, September 24, 1906, BBC, Ser. 2.

<sup>70</sup> Charles Edward Chapman, A History of the Cuban Republic, pp. 195-96.

Castillo, etc, will consent to disband without provision for paying them, as before.”<sup>71</sup>

At the Annual Stockholders Meeting in October, the President read a statement dated September 19, concerning the turbulent political situation and the threat of property destruction on the Island. With the U.S. soon to be in control, however, he was optimistic regarding the protection of property, but he did have another worry. “We fear,” he said, “that a greater scarcity of laborers for to harvest the coming crop, will result from the recent outbreak.”<sup>72</sup>

### The Second Occupation

By late September both Liberals and Moderates were in favor of intervention by United States forces, each for their own reasons. On September 28, 1906 Cuba’s first president resigned calling for U.S. troops to protect the treasury. One day later intervention was proclaimed. This time the Cuban flag was to continue to fly, the judiciary was to proceed as usual, and the government was labeled a provisional Cuban government--but with William Taft as its head. In

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<sup>71</sup> John Craig to MR, September 15, 1906, BBC, Ser. 1. Craig was disappointed in this hope. Trouble continued sporadically for the duration of the occupation.

<sup>72</sup> Annual Stockholders Meeting, October 9, 1906, BBC, Ser. 90, Minute Book 1. This statement could be interpreted as a fear of having to pay higher wages rather than there being an actual shortage of labor. Ultimately, the crop was harvested and cutters were better paid than in previous years.

October Charles Edward Magoon, a Minnesota judge, assumed the administration of the civilian occupation government.<sup>73</sup>

At Francisco the 1904/05 season was going well under the administration of Rafael Estrada. Grinding began on December 7th and ended on May 7th with a total of 71,000 bags equaling 23 million pounds or 1.1 million pounds over the previous season.<sup>74</sup> Substantial additions and repairs were made to the factory: the boilers were reset, the furnaces enlarged, the Marshall crusher replaced by a more efficient one, and the plant generator was overhauled.<sup>75</sup>

Despite these expenses, the company reported itself in sounder financial condition than in any previous year. Stock sales had been successful, over \$154 million worth having been sold, and there was no need to sell more at present. It was announced that sugar sales had amounted to \$609 million and the company was free of debt.

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<sup>73</sup> See David A. Lockmiller, Magoon in Cuba: A History of the Second Intervention, 1906-1909. Chapel Hill: University of North Carolina Press, 1938 for a rather mundane, but factually replete study of the period.

Rionda's reaction to the second occupation was predictable. The U.S., he believed, "should insist on greater guarantees of the Cubans behaving themselves. . . . The American government should, I think, put the strings closer to their necks if the Island is to be handed back to them again." MR to John Durham, September 24, 1906, BBC, Ser. 2.

<sup>74</sup> Annual Stockholders Meeting, October 11, 1905, BBC, Ser. 90.

<sup>75</sup> *Ibid.* Rionda had predicted the necessity of this work: "That is a good business and they will probably increase the capacity of the factory next year, when they realize how good it really is." Note the distancing in Rionda's comment reflective of a subtle alienation from Philadelphia. MR to Julio Rabel, November 3, 1904. BBC, Ser., 2. A year and a half later Rionda wrote the Estate Manager, John Durham, to say that he wanted the mill capacity increased, for he feared that it would not be able to grind all the colono's cane. More significantly, he stated that he wanted the fixed charges to bear on 100,000 bags instead of 70,000 bags. By this period 100,000 bags was coming to be regarded as the minimum required to obtain the necessary economy of scale to remain competitive. MR to John Durham, May 21, 1906, BBC, Ser. 2.

The Board even saw fit to declare a 20 percent stock dividend. In fact the management and stockholders were so confident of Francisco's future that they purchased an additional 800 *caballerías* on the west side of the property, putting one-third down on the \$150,000 purchase price.<sup>76</sup>

Despite the rosy picture painted at the Stockholders' Meeting, there had been some problems encountered at Francisco over the course of the crop. Some of the *colonos* were unhappy with their contracts, and others that Francisco Sugar refused to guarantee purchase of their cane while others were requesting large advances for the dead season which management refused. These last were told to deal directly with Czarnikow, MacDougall. If advances were approved, they were channeled through a special Czarnikow account maintained by Francisco Sugar.<sup>77</sup> In addition, the wages of the *macheteros* were increasing, prompting Rionda to write his *colono* nephew, "I should think you would be able to get cane cutters at that price somewhere else. Next year, if I were you, I should try to get

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<sup>76</sup> *Ibid.* The Company had been looking at surrounding lands for a year or more. Manolo urged the purchase of the neighboring finca to the north, La Esperanza, saying that it was a bargain at \$27,000 and that "Cheap cane has been the secret of our success in Tuinucu and we ought to always be independent of outside colonos." Manuel E. Rionda to MR, February 18, 1905, BBC, Ser. 12. This was the last purchase of additional lands until the 1920s excepting a 2760 acre piece along the Río Sevilla purchased the following year to settle a boundary dispute. Board of Directors Meeting, August 6, 1906, BBC, Ser. 90, Minute Book 1.

<sup>77</sup> At this time colonos were being advanced \$1.50 per 100 arrobas cane. MR to Higinio Fanjul, October 27, 1904, and MR to Rafael Estrada, May 13, 1905, BBC, Ser. 2.

some Gallegos as they arrive from Spain, and try to educate them to cut cane.”<sup>78</sup>

There was also, once again, trouble between Philadelphia and the resident manager. In February, 1905 a failure of a turn plate caused a mill stop of 110 hours. Estrada had purportedly been warned about the worn turn plate by John Craig himself on an inspection tour earlier in the year, but had failed to replace it. McCahan and Craig were furious. Manolo, however, doubted the credibility of the story, especially from McCahan who “told me yesterday that boilers run without burning any wood.”<sup>79</sup> “I guess,” he continued,” we will see another change in the management for next crop, which is a tremendous mistake--for any man that can get 95,000 a day through that house deserves a great deal of credit and should be kept in the place.”<sup>80</sup> On May 17, 1905 the Executive Committee recommended that John Durham be hired as Francisco’s seventh manager.<sup>81</sup> Francisco’s investors were lucky this time,

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<sup>78</sup> MR to Higinio Fanjul, March 18, 1905, BBC, Ser. 2. Cane cutters’ wages were generally higher in the East than in the West. “In former times the plantations in the Eastern section could afford to pay higher prices for cutting cane, and this coupled with the fact that their cane being on lands that produced more tonnage per acre and, therefore was larger in size, a man was able to cut more cane than in the Western plantations where the cane being smaller one blow of the knife did not cut as much as it would in a cane field of an estate in the Eastern end of the Island.” MR to Jules Ganzoni, May 14, 1918, BBC, Ser. 4. See also Pérez, Lords of the Mountain, pp.163-64.

<sup>79</sup> Some boilers had been developed by this time that burned 100 percent bagasse, but at Francisco, as noted above, the mill was burning as much as thirty-five tons of wood per month. Durham-Hatton Report on mill operations, May 4, 1906, BBC, Ser. 2.

<sup>80</sup> Manuel E.Rionda to MR, February 18, 1905.

<sup>81</sup> Board of Directors Meeting, May 17, 1905, BBC, Ser. 90, Minute Book 1. Managers’ contracts ran from July 1 to June 30, the crop year.



however, as Durham turned out to be one of the few really capable men to accept the position.

The further improvement of transportation facilities had been a chief concern of the Francisco management throughout this early phase of the plantation's development. In September of 1902 the Company negotiated with the coastwise shippers and commission agents of Manzanillo, Muniz & Company, in regard to providing regular service to Guayabal.<sup>82</sup> Service was begun, but it proved to be slow and unreliable.<sup>83</sup> The Company next negotiated with Carl Munson; Munson required that there be a ten foot channel to the wharf for his 800-1000 ton lighters. This requirement having been met, a contract was signed for Munson to provide lighterage for Francisco's first sugar by December 11, 1902.<sup>84</sup> In the next few years efforts were made to improve land transportation also. Craig hoped to persuade William Van Horne to redirect his projected rail line from Camagüey to Santa Cruz del Sur to Guayabal instead, but that project never materialized. Regular stage service was authorized over the soon to be rebuilt road to the Cuban Railroad station at the pueblo of Martí.<sup>85</sup>

With the coming of the second U.S. administration of the Island, opportunities arose, as in the first occupation, to apply through the various channels to U.S. officials for those improvements to the

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<sup>82</sup> John Craig to MR, September 19, 1902. BBC, Ser. 10.

<sup>83</sup> John Craig to MR, December 5, 1902, BBC, Ser. 10.

<sup>84</sup> John Craig to MR, November 24, 1902 and December 11, 1902, BBC, Ser. 10.

<sup>85</sup> John Craig to MR, November 26, 1902, BBC, Ser. 10.

infrastructure beneficial to North American sugar estates. In November, 1906 Rionda visited Colonel W.M. Black, head of Public Works, for the purpose of securing U.S. government aid in building a new wharf for Francisco and a bridge over the Sevilla River.<sup>86</sup> The Consul General was to arrange backing for the projects from U.S. Senators and Congressmen.<sup>87</sup> Perhaps nothing definite came of this meeting, for the following Spring "visiting members of [the] executive committee, together with the President, and . . . manager," met with Governor Magoon in Havana. "The Cuban revolt during the summer of 1906, made clear to the American Provisional Government our rather isolated situation in case of needed protection." The meeting with Magoon made the matter even clearer as the group "submitted to him very full our situation and desires for suitable action."<sup>88</sup>

Magoon immediately ordered that an all-weather road be built and paid for by the Cuban government from the wharf to the village of Martí on the railroad to include a steel bridge over the Río Sevilla at a total cost of between \$400,000 and \$650,000 dollars.<sup>89</sup> The government was also to erect telephone and telegraph lines between Martí, the batey, and the new community of Francisco. The Company

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<sup>86</sup> John Durham to MR, November 14, 1906, BBC, Ser. 1. Black was in charge of Magoon's road-building program and built 608 kilometers of good roads which reduced "the costs of sugar transport from 90 cents to 50 cents per bag." Chapman, A History of the Cuban Republic, p. 244, and Thomas, Cuba: The Pursuit of Freedom, p. 493.

<sup>87</sup> Durham himself was the chief promoter of the Martí road. MR to John Craig, November 8, 1908 (see copy of letter from Durham to Craig), BBC, Ser. 2.

<sup>88</sup> Annual Stockholders Meeting, October 9, 1907, BBC, Ser. 90, Minute Book 1.

<sup>89</sup> With the exception of two years, when it paid less, the taxes on Francisco amounted to \$25,000. Board of Directors Meeting, December 23, 1907, BBC, Ser. 90, Minute Book 1.

magnanimously offered its engineers to help with the project "without charge to the state."<sup>90</sup>

For some time there had been complaints from both the *colonos* and the former manager, Estrada, about the inadequate capacity of the mill. On Valentine's Day, 1906 the Board voted to substantially increase the size of the factory.<sup>91</sup> A new three roller mill was installed, the boiler capacity was increased, new evaporators larger than the old by half were added, new centrifugals, and larger pumps were incorporated into the plant. Outside the batey more cane cars were added and a larger wharf was constructed in addition to many other changes. At the home office, an Easter picnic was announced--at company expense!<sup>92</sup>

Durham's first year at Francisco was not a stellar one for the Company, but for reasons beyond his or anyone else's control. Heavy rains, unusual in January, interrupted the zafra, sugar prices fell severely, and labor costs rose.<sup>93</sup> From an average of 4.278 for raw sugar 96° in 1905 returns fell to 3.686 in 1906.<sup>94</sup> The 1906 crop was

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<sup>90</sup> *Ibid.*

<sup>91</sup> Board of Directors Meeting, February 14, 1906, BBC, Ser. 90, Minute Book 1.

<sup>92</sup> Photographs of such events have been preserved as a part of the Braga Brothers Collection.

<sup>93</sup> "I never saw such difficulties in my life." Rionda complained to McCahan after his return from Cuba, "The rains were such that you would find a cart hauling cane with the wheels a foot and a half in mud and six yoke of oxen necessary to move it, and even then with only half a load." MR to W.J. McCahan, January 31, 1906, BBC, Ser. 2.

<sup>94</sup> Willett & Grey's Weekly Statistical Sugar Trade Journal as reprinted in United States vs. American Sugar Refining Co. et al.: Testimony Before William B. Brice, Special Examiner, pp. 4663-4664. Cited in Eichner, The Emergence of Oligopoly, Appendix D, p.343.

worth \$62.4 millions as compared to \$77.3 millions for the previous year even though 90,000 more arrobas of cane were ground.<sup>95</sup> Although crops were 60 to 70 percent below normal on some plantations, Francisco, with its ever-expanding plantings, ground 76,000 bags which was its largest crop to date.<sup>96</sup> Management claimed that the percentage of sugar extraction was the highest ever as a result of more thorough weeding in the fields and improved efficiency in the mill. Despite receiving approximately 1.25 cents less in FOB prices against 1905, the Company still managed to earn a net profit of \$64,000 allowing the Board to declare a modest dividend of five percent. Perhaps the most sanguine event for the Company that year was the renewal of John Durham's contract.<sup>97</sup>

Durham proved to be an intelligent and energetic manager--at times too much so for some in the executive offices.<sup>98</sup> Rionda,

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<sup>95</sup> José R. Alvarez Díaz, et al., Cuban Economic Research Project. A Study on Cuba. University of Miami Publications in Business and Economics, No. 8. Coral Gables: University of Miami Press, 1965, p. 235.

<sup>96</sup> MR to W.J. McCahan, January 31, 1906, Annual Stockholders' Meeting, October 9, 1906, BBC, Ser. 90, Minute Book 1.

<sup>97</sup> Durham was the first Francisco manager to be renewed. Increased efficiency in the mill was always the critical factor in regard to assessment of performance, as it was viewed as the most critical factor in relation to profits. In his report to Philadelphia on mill operations at the end of the grinding season (a report actually made by a Mr. Hatton, sugar expert), it was reported that the mill lost 210 hours in January, due mostly to mechanical breakdowns, 270 hours in February, and 280 hours in March, the latter hours mostly due to lack of cane, for a total of 760 hours which was only 27 hours more than the average number of hours lost per year in the years 1918-1922. On average, mill stops equalled about one-third of total grinding hours. Durham-Hatton Report, May 4, 1906, and Dye, Tropical Technology, Table 2.2, p. 60.

<sup>98</sup> Before he had completed his first year he told Rionda that he had had enough. Apparently ill will had developed between Durham and McCahan and when John Craig announced that he would no longer be President due to the strains of office (he did not resign, in the end) Durham intimated that he too would go in that eventuality. He said he would be the first manager to leave Francisco without friction and went on to say, "the

however, was keenly aware of Durham's abilities and supported him steadfastly against Philadelphia with the one hand while quietly reining him in with the other. In fact, with Durham's arrival Rionda seemed to become more involved once again with Francisco after a few years in which the greater part of his energies were directed to Tuinucu and other mills--not because more involvement was required at Francisco, on the contrary, but because he got on well with Durham, apparently regarding him as a social equal.<sup>99</sup>

This is not to say that Durham and Rionda always agreed as to the best way to run the estate; in fact, they disagreed on the most basic issue. Durham was in favor of expanding the administrative cane production at the expense of the *colonos* and, as is evident in the quote below, concomitantly investing in the various fixed capital items that would make of the estate a more self-contained and centralized operation. Rionda speaks for himself:

I am sorry I do not agree with you in matters of the steamboat--lighters, wharf, houses at Vizcaya and other places in the property, bulls, carts, etc. being more necessary than mill--triple effect. You know that in most points I have almost always accepted your ideas since you took charge of the Francisco, except in the matter of *Colonias* and cane cultivation. I am strongly against the Company's planting cane and employing money in that branch and consequently in oxen, carts and pastures, buildings throughout the property, etc. I am more of a merchant than a farmer, though in my early days I was in a farm. Perhaps I disliked it since! Anyhow, I have always been in favor of making money by turning cane into sugar. Let the other fellow grow the cane. I will turn it into sugar. I will confine my energy to the factory. It is limited to a small space and can be watched. Thousands of acres need men and reliable ones as they must be left to

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place is a graveyard for managers and I am not ready to be buried!" He did agreed to stay on for another season. John Durham to MR, September 24, 1906, BBC, Ser. 1, and MR to John Durham, September 25, 1906, BBC, Ser. 2.

<sup>99</sup> Rionda invited Durham and his wife and child to stay with him at Alpine on the Hudson, his New Jersey suburban estate, on a number of occasions. Durham makes reference to his old school friends who became faculty members at The University of Pennsylvania, Haverford College and other well-respected schools in the region. John Durham to Samuel L. Shober, BBC, Ser. 10.

themselves. No manager can spread his eyes over 16,000 acres of land. He needs good mayorales and they are hard to get--impossible I was going to say.

This preaching we are practicing here--where out of 10,000,000 arrobas of cane [the Company] only cultivate[s] 1/10 and by next year we shall have much less.

One percent more yield in a factory with 12,000,000 arrobas of cane means 120,000 arrobas--even at 2 cents is \$60,000. That is my fish. I leave the small fish to that other fellows--I go for the big one--It takes much money and there is made \$60,000 raising cane and by having a good factory you should have 12% at Francisco--but say only 11 1/2--last year you had 10 1/2 I believe. My aim would be at the 1% more yield, not at the cane!

"Steamboat, too, while necessary, might wait a year or so--Same for lighters and wharf--I know all is needed but I look at things this way.

|            |      |               |
|------------|------|---------------|
| Steamboat  | cost | \$20,000      |
| 3 lighters |      | 20,000        |
| wharf      |      | 40,000        |
| Sundries   |      | <u>20,000</u> |
|            |      | \$100,000     |

I make say 100,000 bags and save by having those things, 15 cents per bag, say \$15,000 a year. It does not pay me to get in debt \$100,000 to get \$15,000 more per year.

You say 'the investment saves you 5%'--I reply it would be all right if the Company had a cash surplus but not when it has to borrow on increase in its capital--You save say \$15,000 - you pay \$6,000 out in interest--you have \$9,000 left--Too little--I repeat I want big fish not small.

New mill, boilers, evaporators, strike pan, etc will give me 1% more yield and allow me to make 40,000 bags more--that is give me additional profits of 1% increased yield and 40,000 bags increased capacity--That is my game--after I shoot that and there is no more big game I'll come back to the small ones.<sup>100</sup>

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<sup>100</sup> Rionda told Durham that he could "use any part of this letter with Philadelphia" he wanted. MR to John Durham, March 1, 1907, BBC, Ser. 2. This letter was pasted onto the blank pages of Letterbook 20 as if it had been cut out of the "Travelling Letterbooks." Quoted below is the first paragraph, apparently unrelated to the above, which is most mysterious and we leave it to the reader to make his or her own surmises.

I am writing for a friend who is going to charter a steamer to go to Porto Rico and allows me and my party to join him. I cannot say when time charter commences but I have my cargo ready on lighters to load the steamer at a moment's notice -- as it is most perishable cargo and can't keep it on lighters unless I stay by and see to it myself. Now you know my occupation! [On the right margin the word "no" is written in blue pencil.]

This letter is worthy of our attention in that it reveals something of the workings of Rionda's business mind and, in fact, of the mind of any successful industrialist of the period. We catch a glimpse here of the degree to which the running of a sugar mill was much closer akin to any other type of factory, whether it produced shoes, steel, rubber, or cloth, than it was to the vagaries of agriculture.

Because of the highly perishable nature of the product of the field, the sophisticated industrial fabrication of cane had to take place on site. In a sense, the central was at some mid point on the industrial continuum between, say, a canning plant in a fruit-growing district and a rolling mill. Like the cannery, it was utterly dependent upon the agricultural variable, but instead of operating only a month or two each year, it ran continuously for six or more months; and instead of merely processing a product, the making of sugar was a manufacturing operation in which success was counted by the percent of sucrose extraction calculated to the thousandth decimal place--and finally, instead of representing a \$100,000 investment like the cannery, it represented a \$1, 2, or 3 million one as would a rolling mill. The Island's 175 or so centrales were, in fact, what made Cuba different to a degree from other Caribbean, or even many other Latin American countries, for Cuba, by virtue of the sugar industry, was semi-industrialized.<sup>101</sup>

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<sup>101</sup> This is not to suggest that the enormous investments in the centrales, largely foreign, contributed to the standard of living of the Cuban people in proportion to the ratio of this investment to the total value of capital assets in Cuba, nor that the Cuban people might not have succeeded in diversifying their industry and agriculture had it not been for the influx of foreign capital during the period of this study. The sugar industry did necessarily contribute to the overall industrialization of the Island by virtue of the many

In Durham's view, one ought to consider the agricultural component of the sugar-making process equally with that of the manufacturing side. Each year the mill suffered from a given number of stops for lack of cane, not because the cane was not there for the cutting, but because the *colonos* had not made their *tareas* due to labor shortages or other causes, or because of transportation problems--all of which could have been overcome, in Durham's view, were the entire operation under direct, central control.<sup>102</sup>

For Rionda, on the other hand, yield (extraction rate) was the *summa qua non*. Relative to that, nothing else mattered at the level of production. We see here the underlying reasons why Rionda had abandoned earlier flirtations with the idea of even more Company control over the *colonos*. Rionda realized that if the Company was to become more heavily involved in the agricultural component, in order to reduce the risks to acceptable levels it would be necessary to establish more complete control of the entire agricultural operation, including the *colonos*, than had generally been the case in the older sugar districts of the island. But cane, subject as it is to the

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corollary industries which it spawned, but as noted above, whether the effects of the sugar industry led to what could rightly be called "development" is highly problematic.

<sup>102</sup> We do not wish to give the impression that Durham ignored the factory in favor of the fields. At least from the Fall of 1906 Durham had been campaigning to have the capacity of the mill increased. The Board had not backed him in this matter, and his words reveal his resentment. "The Company will have its hands full, in my opinion, in meeting the situation which its decision will create. . . The colonos took heart on my statement that I have been recommending the increase of the factory and that I should endorse their request; but, now, I feel ashamed to tell them that after all my work here, I have so little influence with the Company." John Durham to MR, November 27, 1906, BBC, Ser. 1. But unlike several of his predecessors, John Durham was not a man to sulk. Nine days later he reports, "We are grinding along with some kind of result. The house is working better than it did last year and it is a great pity to have to force it nearly 50% above what it was intended to do. Still, I have promised the colonos to grind their cane, and I purpose to do it." (Durham consistently used "purpose" in place of "propose"). John Durham to MR, December 6, 1906, BBC, Ser. 1.



arsonist's torch, is a highly vulnerable crop, and if it comes to represent a significant portion of capital, then proletarian labor has greater leverage over capital than is desirable. When Rionda says that "No mander can spread his eyes over 16,000 acres of land," surely fire must have been foremost in his thoughts.

And too, there existed for Rionda a world beyond the level of production--the world of capitalization, interest, and returns--in short, the world of finance by whose rules one lost or won the game. Rionda's world was large and complex, and he would often seem to devote great energy to small matters, yet beneath his consuming concern with daily affairs, beneath his apparent emotionalism which ran quickly to both loathing and affection, priorities were aligned, the field was surveyed with a sharp, cold eye, and decisions were made, which proved nearly always correct.

Rionda's untiring loyalty to the Company was superseded only by his loyalty to family, but there was rarely, if ever, a conflict between the two. Rionda seemed always to work in the interests of both simultaneously. He expressed a great desire to dispose of his family's stock in the Company. He claimed he needed to use the proceeds from the sale of the Francisco stock to clear Tuinucu of indebtedness so he could "hand it over to the family clear of all mortgages."<sup>103</sup> One's impression is that Rionda was shrewdly using this threatened sale as leverage to force the company to conclude the final settlement with the Cuban-American, which proceeds would

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<sup>103</sup> MR to John Craig, February 16, 1906, BBC, Ser. 1.

accrue to his family also.<sup>104</sup> Rionda insisted that matters be straightforward and clear cut and knew that continued quibbling over details was not in the company's best interest. The sooner Francisco disentangled itself from Cuban-American the better.

Despite Rionda's emphasis on capital expenditures for production over ancillary projects, in 1906 the Company made an effort to regulate and improve workers' housing. It seems that the Company had for some time "To secure necessary labor," allowed workers to erect their own "huts or houses" on Company land in the vicinity of the batey. The practice proved "troublesome" and management decided to buy 36 of the structures and rent them back to the workers. An additional 19 new "and better" houses were built along with a stable and dwelling, new barracks for the Rural Guards and four large buildings "known as baracons," each capable of accommodating 60 laborers. The latter were built in disparate areas of the estate.<sup>105</sup>

Expenditures were made on other ancillary projects: 37 oxen, 7 horses, and 1 mule were purchased, 11 cane carts and a new iron cistern were built, and \$2,500 was spent on improving pastures for an expected 500 head of cattle ". . . if political conditions improve."<sup>106</sup>

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<sup>104</sup> This is in reference to the lingering negotiations (due to, among other things, a drawn out boundary dispute) over the liquidation of the Cuban-American Sugar and Land Company which held Francisco stock against the original Francisco lands, formerly held in Pancho's estate. Rionda, who owned or represented heavy stock holdings in both companies had become an object of suspicion for some minority stockholders. These feeling were to carry over into 1909 when Rionda was to buy out Francisco altogether.

<sup>105</sup> Annual Stockholders Meeting, October 9, 1906.

<sup>106</sup> *Ibid.*

The 1906/07 season saw continuing difficulties with the *colonos*. Florencio F. Peraza, owner of one of the larger *colonias*, because he was in debt to the Company, was offered only \$1.00 per 100 arrobas. Other *colonos* were offered \$1.50, the same as the previous year. Inflation was running high in those years, and much resentment ensued.<sup>107</sup> Peraza protested the proposed rate to Durham. Even the estate manager had to agree that the *colonos* could not cut cane at \$1.00 or even \$1.50.

"He [Peraza] says that the *colonos* need \$1.75 per hundred arrobas. It is the amount I should give them if I had the say. It is to the interest of Francisco to have this matter settled as soon as possible. I have nearly lost my religion in treating with them recently over their protest that the Company has too much cane. . . . May I offer them more than \$1.50 per 100 arrobas?<sup>108</sup>

One unidentified *colono* left his colonia (perhaps to take a temporary wage paying job elsewhere) as he was losing money and would owe the Company at the end of the season.<sup>109</sup> As proof, he provided figures showing what various operations were costing him per 100 arrobas of cane:

- \$1.40 for cutting, lifting and hauling
- .10 for loading into cars
- .35 for reimbursement to Francisco Sugar Company
- .50 for reimbursement to Czarnikow MacDougall and Company
- .10 for freight to Central on the railroad

These figures total \$2.45 per 100 arrobas, or \$1.45 more than the Company was willing to advance an indebted *colono* and 95 cents more than the Company would advance a *colono* whose account was

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<sup>107</sup> For examples of inflation in the cost of food between 1904 and 1912, see Pérez, Lords of the Mountain, Table 10, p.139.

<sup>108</sup> John Durham to MR, November 16, 1906, BBC, Ser. 1.

<sup>109</sup> John Durham to MR, March 10, 1907, BBC, Ser. 1.

clear. If the full advance represented, say 80 percent of the market value, then the *colono* would still be losing around 65 cents. In fact, the full advance would have had to represent only about 60 percent of the market value for the *colono* to break even on his harvesting costs alone. Romero Guerra provides a typical contract (*colonato*), presumably from the post World War period, which guarantees a minimum price of "two pesos and twenty-five cents" (\$2.25) per 100 arrobas of cane.<sup>110</sup> If this price were to prevail, our *colono* would still be losing 20 cents per 100 arrobas plus other costs and living expenses.<sup>111</sup> At the end of the same season, the *colono* Roque Piña was paid according to contract \$1.65 per 100 *arrobas* of cane which he was cutting, loading, and hauling at Yamaqueyes, a Company *colonia*.<sup>112</sup> Not surprisingly, our unnamed *colono* asked that someone else be put in charge of his *colonia* in his absence.

The *colonato* gave the administration the right "to receive sugars" from the *colonos*, but the company did not necessarily exercise that right as it refused to do in 1906. The Company shipped *colono*'s sugar on account, thus acting as a kind of commission agent rather than a buyer.<sup>113</sup> The *colonos* could contract to receive

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<sup>110</sup> Guerra y Sánchez, Sugar and Society, p. 199.

<sup>111</sup> In a recent environmental study of the 1912 Rionda sugar estate, Manatí, the manager, Eduardo Ulzurrún, is quoted as saying that the colonos required about "fifteen to twenty cents . . . to cover 'the cost of their living.'" Mark J. Smith, Nature and Profit: A Cuban Sugar Plantation in the Early Twentieth Century. Masters Thesis, University of Florida, 1993, p. 91, n. 62. Other harvesting costs provided by Ulzurrún bear no relation to those above.

<sup>112</sup> Board of Directors Meeting, May 21, 1908, BBC, Ser. 90, Minute Book 1.

<sup>113</sup> MR to John Durham, November 9, 1906, BBC, Ser. 2.

payment on the basis of the *promedio*, or their returns could be based on the average returns to the Company for all its sugar. Mistrust of the Company steered the more militant *colonos* away from the Company average option. Rionda always insisted that in so doing, they cheated themselves out of a good deal of money.<sup>114</sup>

The allusion in the above quote to the Company having too much cane relates to another major source of friction between the *colonos* and the Company. The *colonos* doubted that the mill had the capacity to grind all their cane and the Company's too. Durham gave them his assurance that the cane would all be ground if the *colonos* would deliver their *tareas*. ". . . I have tried to make clear to them that their obligation to deliver their cane regularly is no less binding than the Company's to receive it."<sup>115</sup>

That year the Company advanced most of the larger *colonos*, including Peraza, Higinio Fanjul and the Piedra-Arche colonia \$6000.<sup>116</sup> The Board, however, (Rionda included) now wished to avoid the practice of loaning money to the *colonos* and encouraged them "to borrow from somewhere else."<sup>117</sup> At the approach of the

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<sup>114</sup> A detailed study of the account books and other sources would be necessary to determine if Rionda was ingenuous or sincere, for surely he knew.

<sup>115</sup> John Durham to MR, November 14, 1906, BBC, Ser. 1.

<sup>116</sup> The Company had \$28,500 loaned out to the *colonos* at this time. To put this sum in perspective, it represented less than nine percent of the gross sugar sales for the year, but almost exactly equalled the net earnings of the Company in the following year. Annual Stockholders Meeting, October 9, 1906, and Board of Directors Meeting, August 7, 1907, BBC, Ser. 90, Minute Book 1. The financial statement of June 30, 1906, however, lists \$469,000 as having been advanced to *colonos*. Annual Stockholders Meeting, October 9, 1907.

<sup>117</sup> MR to John Durham, April 26, 1907, BBC, Ser. 1. "We have not made much money out of the Francisco *colonos*, and I, personally, do not regret that they apply to someone else . . .

dead season, the Company, reflecting Rionda's and other Board members' desire to avoid unnecessary involvement and commitments relative to the agricultural component, refused to arrange for the *colonos*' usual dead season advances. Even Higinio Fanjul, Rionda's nephew and owner of the two large *colonias* La María and La Esperanza was refused a request for funds which he needed to repay his debts to Czarnikow-MacDougall and Muniz. It seems he had no difficulty in borrowing from Pedro Alonso at Tuinucu instead.<sup>118</sup>

The company had expected 1907 to be a good year. Durham had reported the crop to be in good condition and said he expected to make 85,000 bags. <sup>119</sup> Grinding began early, November 29th, but the crop was dogged by two adversities: lack of rain, which seriously reduced production, and continued arson attacks on the canefields. As a result, the mill came to a halt on April 17, six weeks or more earlier than in most seasons.<sup>120</sup>

The drought was the worst in 40 years<sup>121</sup> No rain was reported throughout the 138 day grinding season and less than one inch fell in

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." MR to Higinio Fanjul, August 12, 1907, BBC, Ser. 2. Three days later he reasserted his opposition to making advances to colonos, "especially if they don't own land." MR to John Craig, April 29, 1907, BBC, Ser. 2.

<sup>118</sup> Higinio Fanjul to John Craig, June 12, 1907, BBC, Ser. 1.

<sup>119</sup> Board of Directors Meeting, August 6, 1906.

<sup>120</sup> Annual Report to the Stockholders, October 9, 1907.

<sup>121</sup> *Ibid.* and John Durham to MR, March 28, 1907, BBC, Ser. 1. This statement may reflect apocryphal weather lore. In 1867 production was down only slightly from the previous crop, but it was significantly lower than the following crop. No years in the late sixties show any significant aberration. The researcher must also be aware of the widely differing statistics on nineteenth-century Cuban sugar production found in the various sources. One can say only that they agree on trends.

150 days. It was feared that the ratoon crops, whose roots were exposed to the sun, were weakened. Durham reported “. . . damage not only to the fields for this crop but also to the cane irreparably.” In addition, the estate lost some oxen, and many cattle were lost in other parts of the Island.

There was no mention of cane burnings in at the Board meetings, and obviously none at the Annual Stockholders Meeting. But in December 1906 Durham wrote Rionda that “Blackmailers are demanding money and threatening to burn fields,” cavalierly adding “but I’ve ground lots of burned cane in Santo Domingo.”<sup>122</sup> The attacks continued through April: “Here, as you doubtless know, they are burning us up. We shall probably grind all the burned cane and shut down with a smaller crop than last year. Of course I am disheartened. It is small comfort to reflect that the weather and Cuban politics are beyond our control.”<sup>123</sup>

As a result of the poor crop and \$40,000 spent on enlarging the furnaces, no dividend was declared for 1907. Despite the disappointing year, plans went ahead to enlarge the cane acreage and the mill. With 1000 to 1100 acres of plant cane to be sown the following Spring and Fall, the Board favorably considered the

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<sup>122</sup> John Durham to MR, December 18, 1906, BBC, Ser. 1.

<sup>123</sup> John Durham to MR, April 5, 1907, BBC, Ser. 1. On top of all else, Durham was debilitated: “I am pretty well played and the dengue fever, which has kept the doctor busy here, is making flying tackles at me. Still, I have been around Mr. Dengue and his like so many years that I think I shall be able to keep him off. John Durham to MR, May 9, 1907, BBC, Ser. 1.

recommendation of the Executive Committee for a second restructuring of the factory for another \$150,000.<sup>124</sup>

The 1908 season got off to a good start. The crop looked promising and Rionda hoped that Francisco would finally top the 100,000 bag mark, something he had expected from the very first year of production. But the same old troubles were haunting the company as they had from the day the McCahan interests took hold. The only difference was that Durham was more rational and better educated than most, if not all, of his predecessors, thus the conflict took longer to come to a boil and never reached the vituperative stage as had happened earlier. Nevertheless, Durham, on hearing again of John Craig's impending resignation, submitted his own.

With none of the discord which has marked the correspondence of other administrators, I have served longer than any of my predecessors, but with the growing feeling that the company and the management must ultimately find themselves working at odds, as has been the case of all other management's. I cannot challenge your judgment, nor can I defer to it when my own, opposed to it, is the result of hard experience in successful sugar estate work.<sup>125</sup>

Fortunately for the Company, Craig once again was convinced to stay on another year and Durham remained until the end of the 1909 zafra at which point his contract was not renewed.

The year 1908 saw continued work on the new road and bridge to Martí, partial completion of the mill expansion, another drought, but not so severe as that of the previous year, and problems over the management of the *tienda*, the Company store which had become

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<sup>124</sup> Plans included the addition of another three-roller mill, a new evaporator, boiler, two new centrifugals, new pumps, tanks, etc. and a permanent pier. Board of Directors Meeting, October 2, 1907, BBC, Ser. 90, Minute Book 1.

<sup>125</sup> John Durham to MR, December 1, 1907, BBC, Ser. 2.



another bone of contention between Durham and Rionda. Here again Durham favored Company supervision while Rionda wanted to lease or sell the store to a private party. Rionda declares that he cannot run a store, nor can anyone "not born to it as are my 'countrymen,' but I am not." One might say that in Durham we see the modern corporate mind--always looking to vertical integration, mergers, acquisitions, whereas Rionda was more old fashioned in his approach which might be characterized as ' we should do what we do best, i.e.. make and sell sugar, and nothing more.'<sup>126</sup>

The political situation under the watchful eyes of the occupation government remained tentative. John Durham was concerned enough about the threat of violence during local elections to telegraph the Rural Guards to be sure and be on hand on election day. Durham wrote that, "The Conservatives are trying to oust the reelected government of the province." Campaigners had visited Francisco, and according to the manager, the Liberals bought liquor from two local *bodegas* and were "loaded to the Plimsol line and making damned nuisances of themselves." Characteristically, Durham's solution was to buy out all the liquor shops and all the lands to Río Sevilla.<sup>127</sup>

Relations with the *colonos* continued more or less as before with no changes in the amounts or methods of payment for their sugar. Wages remained high and the *colonos* frustrations were

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<sup>126</sup> Yet in the coming years, Rionda was to show enough faith in Durham's business acumen to offer to back him in the purchase of a small sugar estate.

<sup>127</sup> MR to John Craig, November 8, 1908 (with copy of letter from John Durham to John Craig). These were the provincial elections of November 14th.

probably only assuaged by a good crop and slightly improved markets.

Francisco failed to make the hoped for 100,000 bags, but turned out a new record of 87,700 bags which was 13,700 bags over the previous crop. Despite continuing remarks to the contrary, the Company still maintained on the books \$130,000 in loans to the *colonos*, as well as \$17,200 in advances.<sup>128</sup>

The estate's chronic failure to live up to management's expectations and Durham's independent caste of mind lost him his job at the end of the 1909 season. Ironically that was the year Francisco finally broke the 100,000 bag barrier, producing 107,000 bags.<sup>129</sup> The vote on both the Executive Committee and the Board was unanimous; Rionda made no apparent attempt to save his friend's job--the reasons become clear as events unfold--Francisco was about to enter a new era--but first a brief view of the rest of the Cuban sugar world in the first fifteen years of the century.<sup>130</sup>

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<sup>128</sup> Annual Stockholders Meeting, October 11, 1908, BBC, Ser. 90, Minute Book 2.

<sup>129</sup> Net earnings stood at \$120,500 and total assets now equalled over two million dollars. Expectations had run higher, however. The latter part of the season was marked by heavy rains, fires, and mechanical failures. Annual Stockholders Meeting, October, 1909, BBC, Ser. 2. It may have been a broken crusher and a faulty roller that finally precipitated Durham's dismissal, for Craig, in quoting from a letter from Durham describing the broken mill shaft, follows with "He does not speak of having broken his own neck, nor his recent obstructionist managerial tricks." John Craig to MR, April 12, 1909, BBC, Ser. 1. Craig's tone reveals much in regard to not only his relationship with Durham, but with all previous managers.

<sup>130</sup> Board of Directors Meeting, May 17, 1909, BBC, Ser. 90, Minute Book 2.

Parallel Developments: North American Sugar Investments, 1899-1915

The flood of foreign sugar capital into eastern Cuba in the first quarter of the century came in two waves. In 1899, the year of Francisco's founding, only three mills with a daily grinding capacity of a mere 170,000 arrobas of cane existed in the province of Puerto Príncipe. These three mills produced 27,000 tons annually, representing only 2.71 percent of Cuba's production.<sup>131</sup> Oriente produced 136,000 tons equalling 13.55 percent of the total for the Island, thus only 16.26 percent of Cuba's sugar was produced in the east. Table 5.2 reveals the explosive growth of the sugar industry in the eastern provinces in the first two decades of the century.

Table 5.2. Sugar Production in the Eastern Provinces, 1902-1922

| Year    | Camagüey | % of Total | Oriente   | % of Total | % Cuba |
|---------|----------|------------|-----------|------------|--------|
| 1902/03 | 27,108   | 2.71       | 135,536   | 13.55      | 16.26  |
| 1903/04 | 28,746   | 2.75       | 171,950   | 16.45      | 19.2   |
| 1904/05 | 30,742   | 2.62       | 188,557   | 16.07      | 18.69  |
| 1905/06 | 38,516   | 3.13       | 85,440    | 15.07      | 18.20  |
| 1906/07 | 53,233   | 3.72       | 253,715   | 17.73      | 21.45  |
| 1907/08 | 54,503   | 5.62       | 221,796   | 22.87      | 28.49  |
| 1908/09 | 96,896   | 6.31       | 342,746   | 22.32      | 28.63  |
| 1909/10 | 119,435  | 6.48       | 412,860   | 22.40      | 28.88  |
| 1910/11 | 111,453  | 7.61       | 345,197   | 23.57      | 31.18  |
| 1911/12 | 145,561  | 7.61       | 418,130   | 21.86      | 29.47  |
| 1912/13 | 192,672  | 7.89       | 501,338   | 20.53      | 28.42  |
| 1913/14 | 308,597  | 11.80      | 631,577   | 24.15      | 35.95  |
| 1914/15 | 261,683  | 10.03      | 560,675   | 21.49      | 31.52  |
| 1915/16 | 347,349  | 11.45      | 662,239   | 21.83      | 33.28  |
| 1916/17 | 297,124  | 9.70       | 678,790   | 22.16      | 31.86  |
| 1917/18 | 545,639  | 15.71      | 855,101   | 24.62      | 40.33  |
| 1918/19 | 795,145  | 19.82      | 970,061   | 24.18      | 44.00  |
| 1919/20 | 845,765  | 22.60      | 815,827   | 21.80      | 44.40  |
| 1920/21 | 820,938  | 20.61      | 912,949   | 22.92      | 43.53  |
| 1921/22 | 950,717  | 23.56      | 1,304,613 | 32.33      | 55.89  |
| 1922/23 | error    | 30.94      | 944,670   | 25.91      | 56.85  |

Source: Partially based on José R. Alvarez Díaz, et al. Cuban Economic Research Project. A Study on Cuba, Table no. 154, p.235.

<sup>131</sup> 1899 Census of Cuba, cited in Alvarez Díaz, et al., A Study on Cuba, pp. 97 and 234. Provincial figures are taken from the Anuario Azucarero de Cuba, 1959.

In only 20 years the eastern provinces increased their contribution to Cuba's overall production from less than one fifth to over half. How did such rapid growth come about?

The first phase of sugar expansion into eastern Cuba was inaugurated in 1899 with the founding of Francisco and the Cuban-American Sugar Company's acquisition of approximately 70,000 acres in northern Oriente, the future site of the the great Central Chaparra, which began grinding the same year as Francisco, 1902. Chaparra, unlike most new mills in Cuba, began grinding with the enormous capacity for its day of 200,000 bags.<sup>132</sup> It was the first twelve roller (four tandem) mill on the Island. Also in 1899, a syndicate headed by Minor Keith, Chairman of United Fruit, purchased the Dumois properties consisting of over 200,000 acres in the Banes, Antilla, and Mayarí area for banana cultivation. The banana business proved less profitable than anticipated resulting in a gradual transition to sugar production which was completed by 1906. The cane in this district was consumed by the enormous Central Boston which began grinding in 1901.<sup>133</sup> A subsidiary, the Nipe Bay Company, bought an additional 40,000 acres at Puerto

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<sup>132</sup> The Cuban-American Company, which for a time was the largest sugar company in Cuba, was promoted by Congressman R.B. Hawley of Texas who assembled a syndicate of New York sugar capitalists, including B.H. Howell and Theodore Havermeyer, for the purpose of establishing sugar plantations in Cuba. Philip S. Foner, The Spanish-Cuban-American War and the Birth of American Imperialism: (2 Vols.), New York and London: Monthly Review Press, 1972, II, p. 477.

<sup>133</sup> Named for the president of United Fruit, Andrew W. Preston, who was also instrumental in the deal. Jenks, Our Cuban Colony, p.130, Thomas, Cuba, p. 467, Irene A. Wright. Cuba. New York: The Macmillan Company, 1910, pp. 469-70. The first sizable sugar plantation to be constructed in the Nipe Bay region was Central París (1881) owned by the Franco-Spanish company Dominio de la Bahía de Nipe. Julio LeRiverend, Historia Económica de Cuba. La Habana: Editorial Pueblo y Educación, 1974, p. 470.

Padre in 1901, also on the north coast of Oriente, where it constructed the Central Preston. Representing the very latest in sugar-making technology, Preston began grinding in about 1906.<sup>134</sup>

On the south coast of Oriente, the Cape Cruz Company acquired 16,000 acres near Manzanillo, purchasing the estates of Aguas Grandes, Limoncito, and San Celestino. Joseph Rigney, a United Fruit partner, bought the sugar estates of San Juan, San Joaquín, and the *ingenio* Santa Teresa, all in the vicinity of Manzanillo.<sup>135</sup>

Francisco, the first mill to be built in Camagüey after the war, was followed in 1905 by Jatibonico, owned by the Cuba Company, located near the town of the same name. The extensive Central Stewart was founded the following year in Ciego de Avila. Owned by the Compañía Azucarera Atlántica del Golfo; Rionda assumed its presidency in 1909. Jagueyal (1907) in Ciego de Avila, was owned by the Eastern Cuba Sugar Corporation. Three more mills were erected in 1913: Camagüey in Florida owned by the Compañía Azucarera de Camagüey, Ciego de Avila owned by the Compañía de Ciego de Avila in that town, and the gigantic Central Morón owned by the Compañía Azucarera Vertientes Camagüey de Cuba near the town of Morón. In 1915 five mills were founded, including Francisco's sister mill, Elia, five more in 1916, one in 1917, three in 1918, and two in 1921, including Central Macareño, whose lands were once a part of the

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<sup>134</sup> *Ibid.*...(Wright) and Pérez. Cuba: Between Reform and Revolution, p. 196.

<sup>135</sup> Pérez, Lords of the Mountain, p. 104. The Santa Teresa was already owned by North Americans. Rionda's friend Hugh Kelly and his partner Franklin Farrel, the Connecticut iron foundry owner, began the mill in the early 1890s. Carleton Beals, The Crime of Cuba. Philadelphia: J.B. Lippincott Company, 1933, p. 404. This was probably the first estate in eastern Cuba to be founded by North Americans.

Cuban-American Sugar and Land Company's original purchase and which was later integrated with Francisco.<sup>136</sup>

In neighboring Oriente from 30 to 35 centrales were founded between the years 1900 and 1922. In addition to the ones mentioned above, some of the largest and most famous were the Cuba Company's Jobabo in Victoria de las Tunas, Rionda's Manatí on the north coast, and Delicias, also on the north coast near Chaparra and Boston on Nipe Bay.<sup>137</sup> In 1912 the Atlantic Fruit Company began sugar production on 40,000 acres along the north coast and in the southeast, the Santa Cecilia Sugar Company expanded its operations.<sup>138</sup> According to Leví Marrero, 17 centrales were founded in eastern Cuba between 1902 and 1914.<sup>139</sup>

In 1907 James H. Post, a senior partner in B.H. Howell, Son and Company, put together a syndicate of British and U.S. capital to purchase several eastern mills including Francisco. His original plan was to buy three mills, the other two being Niquero and Guantánamo, both in Oriente. Rionda learned that Havermeyer was involved, which never failed to please him.

They realize that it would be well for them to secure properties that, like ours, are situated where there is no competition for cane, in order to offset

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<sup>136</sup> Fernando Agete y Piñero, La Caña de Azúcar en Cuba. Cuba, República de, Secretaría de Agricultura, Dirección de Estaciones Experimentales, Estación Experimental de la Caña de Azúcar. La Habana: Editorial Neptuno, S.A., 1946. Unnumbered table after p. 27. In some instances listed companies may have acquired these estates subsequent to their founding.

<sup>137</sup> *Ibid.*

<sup>138</sup> Pérez, Lords of the Mountain, pp. 154-55.

<sup>139</sup> Levi Marrero y Artilles, Geografía de Cuba, La Habana: Editorial Selecta, 1957, p. 213. He points out that the period 1915 to 1926 was one of even more rapid expansion.

the disadvantages the Cuban-American Sugar Company has encountered from Estates where such competition exists, such as Tinguaro, Nueva Luisa, etc. For that reason, Francisco is attractive.<sup>140</sup>

Initially investors were discouraged by the condition of the market, and Post could not raise enough capital to put his plan into effect. Ultimately Post's syndicate did purchase Guantánamo and possibly some other Cuban properties.<sup>141</sup>

The second wave of foreign investment was greater by far than the first. "Between 1900 and 1909 a dozen centrales were founded [in eastern Cuba], five of these in Oriente. The international sugar situation," states Julio LeRiverend, "did not decisively stimulate the conversion of capital to these enterprises."<sup>142</sup> Between 1900 and 1915, 33 centrales were founded, while the remaining 42 were erected between 1916 and 1926. <sup>143</sup> Thus, in the first phase of sugar expansion 2.2 mills were founded per year, whereas in the second phase the figure was 4.2 mills per year. In addition, the second phase mills had much greater grinding capacities on average than the earlier group, though the first-phase mills were rapidly increasing their capacities incrementally.

The larger the mills, the more land was required to feed them the cane by which they were sustained.

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<sup>140</sup> Note that this is not the Cuban-American Sugar and Land Company. MR to John Craig, September 16, 1907, BBC, Ser. 2.

<sup>141</sup> MR to John Craig, September 25, 1907, BBC, Ser. 2.

<sup>142</sup> Julio LeRiverend, Historia Económica de Cuba. La Habana: Editorial Pueblo y Educación, 1974, p. 577.

<sup>143</sup> *Ibid.* p. 577.

These Cyclopean machines and those great tentacles of railways that have turned the centrals into monstrous iron octopuses have created the demand for more and more land to feed the insatiable voracity of the mills with canefields, pasture land, and woodland.<sup>144</sup>

The result was a frenzy to replace forests with sugarcane fields. Describing the south coast of Camagüey, Leví Marrero states that "During the early years of the Republican era the exploitation of the forest continued with intensity. In 1906 alone the port of Santa Cruz del Sur exported 24 million board feet of precious woods."<sup>145</sup> As the forests fell, the canefields came to carpet the land to the horizon. To work those fields £172,000 worth of agricultural implements were imported from the United States in the period 1905 through 1907 alone.<sup>146</sup> The centrales were constantly being restructured and enlarged. By 1910 Central Preston was grinding 3800 tons of cane daily increasing its capacity to 5000 tons in 1911.<sup>147</sup>

This invasion could not have occurred without the full cooperation of the state in helping foreign investors to obtain the land they needed both for production and labor control. The mills required extensive tracts for cane, pastures for oxen, and forests for wood supplies, though the latter became less of a requirement as bagasse came to supply all of the fuel. In addition, it was in the interests of the mill owners to draw the rural population into the potential pool of labor through various means of economic coercion,

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<sup>144</sup> Fernando Ortiz, Cuban Counterpoint: Tobacco and Sugar. New York: Alfred A. Knopf, 1947, pp. 51-52.

<sup>145</sup> Marrero y Artiles, Geografía de Cuba, p. 575.

<sup>146</sup> H.G. De Lissier, In Jamaica and Cuba. Kingston: The Gleaner Company Ltd., 1910. p. 40.

<sup>147</sup> Forbes-Lindsay, Cuba and Her People Today, p. 172.



chief of which was the appropriation of small holdings so as to eliminate alternatives to plantation labor.<sup>148</sup>

The first step in this process of appropriation took place in February 1902 during the Military Occupation. It was in the form of Military Order No. 139, revoking an earlier decree which had placed a moratorium on mortgage foreclosures in the wake of the economic chaos resulting from the Cuban War of Independence. The decree had the effect of forcing a great many small farmers without access to capital or credit off their lands.<sup>149</sup>

The second, and most important step in clearing the path for the acquisition of land by foreign investors was Civil Order No. 62. This 1902 law was aimed at the repudiation of the *hacienda comunera* and the *pesos de posesión*, which, as Manuel Rionda could testify, were serious obstacles to clear legal titles.<sup>150</sup> Viewed as anachronistic curiosities by the North American authorities, these laws served to protect many small holders from expropriation. Civil Order No. 62 effectively threw the old land laws, and thus many deeds, into question. Well-paid lawyers then had the opportunity to convince judges through legal means or bribery that long-time

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<sup>148</sup> The dominant tendency was toward the universal establishment of capitalist relations of production, but there may have also been a secondary tendency toward the preservation in some altered form of the subsistence economy as a means of avoiding the full costs of the reproduction of labor. For more on the theory of the articulation of modes of production see Chapter VIII, "Conclusions."

<sup>149</sup> Pérez, Lords of the Mountain, pp. 94-95.

<sup>150</sup> Perhaps as much as 20 percent of the vast correspondence in Manuel Rionda's letterbooks for the period 1899 to 1918 are concerned with the clearing of land titles. It would appear that the legal profession in Cuba at the time benefitted mightily from the complexities of Cuban land law *vis á vis* the sugar industry. Given Rionda's difficulties, if Civil Order No. 62 weakened the old land laws, they must have been impervious earlier.

residents should be removed in favor of cane plantations, railroads, mining operations, etc. As a consequence the rural population was either displaced, or placed in dependency as *colonos de central*, particularly in the arable valleys and plains of eastern Cuba, but in time, everywhere sugar was grown.

As the second occupation drew to a close, Cuba seemed vexed with ill luck. Tobacco, sugar, fruit production all suffered from the effects of bad weather and the stock panic of late 1907 was no help.<sup>151</sup> Any gains made by workers were eroded by a growing rate of inflation. The body politic was in tatters; Pérez describes “a tenor of urgency and, on occasion, ferocity [in] Cuban public life.”<sup>152</sup> It was a new world for Cubans. Everything was different, but practically nothing was as had been hoped for, fought for, in thirty years of struggle. To paraphrase Hugh Thomas, old Cuba lurched away, to be replaced by foreign capitalist enterprise.<sup>153</sup>

And as for Manuel Rionda--he was in the thick of it. Writing in the slow month of August when the Craigs and the Riondas normally took their summer holiday at Cape May, in response to John Craig's inquiries he said, “You need not worry, your friend Rionda is not idle. He seems to get deeper into it each year, but I am well and like to get hold of difficult problems--to look on is not my nature and I am too old to change.”<sup>154</sup>

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<sup>151</sup> Thomas, Cuba: The Pursuit of Freedom, p. 493.

<sup>152</sup> Pérez, Between Reform and Revolution, p. 222.

<sup>153</sup> Thomas, Cuba: The Pursuit of Freedom, p. 601.

<sup>154</sup> MR to John Craig, August 14, 1908, BBC, Ser. 2.

## CHAPTER VI THE FRANCISCO COMES INTO ITS OWN: 1909-1917

### Rionda Takes Back Francisco: 1909-1916

Indeed, Manuel Rionda was not idle. On April 15, 1909 he wrote to John Craig proposing to buy out the company.<sup>1</sup> The offer was as follows: Rionda would guarantee to buy in 30 years the present issue of common stock of the Francisco Sugar company (12,277 shares) for 50 percent of the face value of each share, the guarantee to be secured by a first mortgage of six percent gold coupon bonds of the company, of a total issue of one million dollars. The bonds were to be secured by a first mortgage on the entire property of Francisco and redeemable by the company. A yearly sinking fund of \$50,000, commencing from 1919 and each year thereafter would be provided for. Additional security was to be in the form of 75 percent of the face value of the common stock in seven percent non-accumulative preferred shares of the company of a total issue of one million dollars. The preferred shares would not be entitled to any vote, but to influence in assets of the company up to face value, and no other mortgage would be allowed without consent of 80 percent of the preferred shares. Thus Rionda was using the

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<sup>1</sup> MR to John Craig, April 15, 1909, BBC, Ser. 2. Rionda's proposal was altered somewhat, particularly as to sums, but the principal tenets remained intact.

value of his stock in the company and possibly other assets to buy the gold coupon bonds, which would guarantee that he would underwrite the future value of the stock, as collateral in exchange for immediate control of the company.

The Philadelphia interests accepted the proposal in a modified form. On the letter that was distributed to the stockholders for the purpose of endorsing Rionda's plan, the McCahan/Craigs had this to say:

We have a valuable property and for nearly 10 years we have given to it our best service. It is now in a splendid shape, but we have come to the conclusion that we cannot continue to manage it in a satisfactory manner on account of the distance and in a foreign country and having no one who can remain on the property who has qualifications to manage such a large or such a comprehensive business.<sup>2</sup>

They meant, of course, that there was no Director residing on the property. For the Riondas this matter would be easily taken care of, when necessary.

If we can accept this statement as a true reflection of the feelings of the McCahan/Craig group, we have a sense of the utter alienation the North Americans felt toward the Island that had for ten years demanded their constant and careful attention. It seems that Cuba, and particularly the wild coast of southern Camagüey, was regarded as the same remote shore ten years later as it must have been when Rionda first approached these highly parochial men for whom Cape May was as far south as they really cared to venture.

The actual transfer of power did not take place until the next Annual Stockholders Meeting the following October, but almost

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<sup>2</sup> Francisco Sugar Company to the Stockholders, undated, BBC, Ser. 1 ("Francisco Sugar Company" folder).

immediately Rionda began exerting control. In June he suggested that his nephew Leandro J. Rionda be hired as temporary manager to replace John Durham. At the same time John Craig resigned as President along with James McCahan.<sup>3</sup> Coincidentally, Caesar Czarnikow died on April 17th, clearing the path for the formation of a new company, Czarnikow-Rionda, Inc.<sup>4</sup>

Rionda lost no time in rearranging matters on the estate, according to his policy of 'privatization,' if you will. The *tienda*, long a money loser, along with the ice plant and the butcher shop, were to be leased out to new management. The old company *colonias* of Sitio Viejo and Yamaquelles [Yamaqueyes], were given as a *colonia* to a Señor Gordillo and Roque Piña (Sitio Viejo was, according to Rionda, ". . . too far from the factory for management to watch.").<sup>5</sup>

Manuel's summer was taken up with attending to the details of the buy out as well as organizing Czarnikow-Rionda. Long delays in getting out the circulars to notice the bonds and much "splitting of hairs" by attorneys frayed Rionda's nerves. Never one to give much quarter to lawyers, he said in the characteristically faulty English used in moments of exasperation, "I wish they splitted their own heads."<sup>6</sup>

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<sup>3</sup> Board of Directors Meeting, June 3, 1909, BBC, Ser. 90, Minute Book 2.

<sup>4</sup> Choosing to overlook the many bitter disagreements and stormy exchanges of the past, Rionda described the death of Czarnikow as a great loss, saying W.J. McCahan, John Craig, and C. Czarnikow were always his closest friends. "The old gentleman in London was very kind to me." MR to William J. Craig, April 17, 1909, BBC, Ser. 2.

<sup>5</sup> MR to Messrs. Francisco Sugar Company (A report), July 30, 1909, BBC, Ser. 2.

<sup>6</sup> Rionda used the well-known New York firm of Sullivan & Cromwell at least from this time forth to the end of his life and thence to the dissolution of the the Rionda-Braga

In October the official transfer of control occurred at the Annual Stockholders Meeting. On the left below is a list of the old Board members and on the right the new.<sup>7</sup>

|                     |   |
|---------------------|---|
| Joseph I. C. Clarke | Bernardo Braga (Secretary, Exec. Committee)                             |
| W.W. Curtin         | Manuel E. Rionda (Vice President, Exec. Committee)                      |
| M.A. Clark          | Rafael Zevallos (Treasurer)   |
| Geo. R. MacDougall  | Leandro J. Rionda   |
| John F. Craig       | John F. Craig (Exec. Committee)   |
| Thomas C. McCahan   | Thomas C. McCahan   |
| William J. Craig    | William J. Craig (Exec. Committee)                                      |
| R.S. Pomeroy        | R.S. Pomeroy  |
| Manuel Rionda       | Manuel Rionda (President, Ex-officio member of the Executive Committee) |

Thus of the nine-member board, five seats, including all the officers, were held by the Rionda interests. Within the four-member Executive Committee, two seats were in Rionda's control and two remained under the control of the Philadelphians. Manuel himself, as an ex-officio member of the committee, could attend meetings and influence the course of action.

The 1910 crop was threatened with a shortage of labor, a problem that was to become periodically acute among eastern mills

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family empire. The law firm itself was at various times a major investor in the Cuban sugar industry.

<sup>7</sup> Annual Stockholders Meeting, October 13, 1909, and Board of Directors Meeting, October 19, 1909, BBC, Ser. 90, Minute Book 2.

over the next few years. Leandro writes, "There is a great scarcity of cane cutters. We are expecting 70 men from Trinidad . . . they tell me it is the first year that labor has been scarce."<sup>8</sup> A week later he reported to Manolo that the machinery was working perfectly but there were many mill stops due to lack of cane and scarcity of labor.<sup>9</sup>

Sufficient labor was found and production was considerably higher than the previous year at 122,000 bags with an average test of 95.59° which was considered quite good. The cane was excellent, having a 12.5 to 13.3 percent sucrose content. The good cane in combination with a more efficient factory resulted in the highest yield per ton in Francisco's history. Sugar returns averaged a solid 2.78 cents per pound and net income was now at \$394,000.<sup>10</sup>

The Executive Committee recommended the purchase of four new boilers and four crystalizers through the newly formed commission house of Czarnikow-Rionda, and in addition authorized Leandro to contract for an additional 60-75 caballerías of plant cane "with whoever he wishes," the advance to be no more than \$60,000.<sup>11</sup> There was a new sense of optimism in the air. Not only was the company under new management, but the price of sugar was finally rising. In the 1910 season, the first shipment of sugar brought

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<sup>8</sup> Leandro Rionda to MR, December 9, 1909, BBC, Ser. 1. Since the founding of Francisco there had been worries over labor shortages, but the problem was apparently becoming more severe. Whether this is Trinidad, B.W.I., or Trinidad, Cuba we have no way of knowing. The latter seems more likely.

<sup>9</sup> Manuel E. Rionda to MR, December 17, 1909, BBC, Ser. 12.

<sup>10</sup> Annual Stockholders Meeting, October 13, 1910, BBC, Ser. 90, Minute Book 2.

<sup>11</sup> Executive Committee Meeting, March 23, 1910, BBC, Ser. 90, Minute Book 2A.

2 5/8 cents per pound, not a bad price compared to earlier years, (though the cost of labor had risen) and prices rose steadily through the season finally topping out at 3 1/8.<sup>12</sup> In June the Board voted a cash dividend of 7 1/2 percent.<sup>13</sup>

The Rionda take-over did much to correct the management problems which had plagued the company since its inception. It brought about a rationalization of authority which in turn resulted in a smoother transmission of directives without the contradictory tendencies of the past. The Craigs and McCahans, though still occupying important positions as directors and members of the Executive Committee, made no apparent attempt to block the changes that Rionda was determined to bring about, perhaps simply because, assuming they even had objections, they knew they would be outvoted. Among these changes was the granting to Leandro of sweeping authority to do as he liked on the estate. Another example was the \$200,000 line of credit Manuel issued the company on behalf of Czarnikow-Rionda in exchange for all of Francisco's sugar business

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<sup>12</sup> Board of Directors Meeting, March 23, 1910, BBC, Ser. 90, Minute Book 2.

<sup>13</sup> Board of Directors Meeting, June 8, 1910, BBC, Ser. 90, Minute Book 2. In the Spring of 1910 the company undertook considerable financial reorganization. Capital stock was substantially reduced through a bonds-for-stocks trade off with the stockholders, probably in order to reduce short-term indebtedness for long-term indebtedness, thus freeing up funds for capital improvements which should in turn result in higher profits and appreciating securities. Special Meeting of the Board of Directors, June 20, 1910, BBC, Ser. 90, Minute Book 2. One of the minority stockholders, Frederick E. Allen of Portland, Maine, an old family friend of the Riondas, fought the reorganization, taking the company, and Manuel Rionda personally, to court. An injunction was served but the company prevailed in court. This matter dragged on for some time through the appeals process, but the original decision was upheld. Board of Directors Meetings, June, 1910- c.1912, *passim*, Ser. 2, Minute Book 2.



at one percent commission.<sup>14</sup> Nearly two years after the buy-out John Craig, free now to wax nostalgic, sounding almost like Rionda himself, could write, "Dear old Francisco! That it may realize for you, my dear Manuel, what has been in my heart, is my fond hope--and even in my dreams a few nights ago, I was there with you."<sup>15</sup>

Fire was a major problem in the 1911 season. The first fires began to occur in the middle of December and became more frequent as the crop moved deeper into the dry season. Manuel ordered an increase in the number of *guardia campos* (field guards). On January 2nd 250,000 *arrobas* of cane burnt in high winds. Two days later another 100,000 *arrobas* burned. In March as land was being cleared and burned in the new *colonias*, sparks set the canefields afire again. Leandro reported that cane fires were virtually constant throughout the dry season. Some of these fires were proven accidental, but others were of unknown origin.<sup>16</sup> While there is no mention of arson, the signs are there, for not only did cane fields burn incessantly, but the *tienda* and possibly the *fonda* burned, as well. Furthermore, there seemed to be some reluctance on the part of the insurers to pay for reconstruction.<sup>17</sup>

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<sup>14</sup> Special Board of Directors Meeting, August 19, 1910, BBC, Ser. 90, Minute Book 2.

<sup>15</sup> John Craig to MR, January 9, 1911, BBC, Ser. 1. Could this mean that Craig felt a deep ambivalence about giving up Francisco?

<sup>16</sup> Leandro Ronda to MR, December 15, 1910, January 2, January 4, and March 26, 1911, BBC, Ser. 1.

<sup>17</sup> The company was forced to demand payment of the \$9500 from the insurance company. Board of Directors Meeting, June 12, 1911, BBC, Ser. 90, Minute Book 2.

Despite the fires, Francisco was, on the whole, doing well. Yields were steadily improving, moving well above 12 percent and even approaching 14 percent in some weeks. Rionda declared that the value of the property was far beyond the one and a half million dollar bond issue, and "when" the mill is making 250,000 bags it would be worth two and a half to three million at least.<sup>18</sup>

In April of 1911 the Board, in response to the improved condition of the company, the excellent results from the previous two crops, and the many *caballerías* of plant cane just then coming into production, resolved to increase the capacity of the mill to 250,000 to 300,000 bags. All new machinery was to be ordered through Czarnikow-Rionda's Export Department and furthermore, that firm was to loan Francisco \$250,000 to \$300,000 for the enlargement of the factory. It was further agreed to sell all Francisco's sugar through Czarnikow-Rionda for a five year period at one percent commission.<sup>19</sup>

The Board also agreed at the end of the *zafra* to increase the salary of the manager. The reasons given were the significant

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<sup>18</sup> Rionda heard from Craig that some Francisco bonds were being sold at a discount. Rionda found it incomprehensible that anyone would sell their bonds at 80 percent of their value. "It must be due to some peculiar monetary circumstances of the bondholders and not lack of confidence in the company. Anyone who buys these bonds at 80 makes an investment that few can be better -- gets 7 1/2% on his money and has a guarantee that cannot be improved -- I mean to say the mortgage covers property worth much over its bonded value and its earnings capacity places Francisco beyond any doubt of its being able to meet its interest or capital when bonds come up for redemption. As a matter of fact, I am quite sure Francisco will be retiring part of its bonds by 1915/16." MR to John Craig, February 23, 1911, BBC, Ser. 1

The million dollar bond issue proposed by Rionda had been raised to one and a half million by the McCahan interest. Undercapitalization had been a problem earlier, and everyone was concerned that this situation not continue.

<sup>19</sup> Board of Directors Meeting, April 10, 1911, BBC, Ser. 90, Minute Book 2.

increase in production over the previous year, the increase in yield (from 12.51 percent to 12.77 percent), that the crop was taken off in a satisfactory manner regarding expenses and economies, and that the manager acted as engineer in preparing plans for the mill expansion. Leandro was to receive \$15,000 a year.<sup>20</sup>

The company now had 14,200 acres under cane and produced 127,900 bags of sugar plus 923,700 gallons of molasses in the last season. Average yields had steadily improved over the past three years to 12.80 at 96° in 1911. Prices, however, having come up somewhat in 1910, dropped again the following year to an average 2.36 cents per pound. The large plantings of 1910 and 1911 were estimated to be sufficient to make 240,000 to 250,000 bags the following year.<sup>21</sup> Installation of the new machinery was to begin at the conclusion of grinding.<sup>22</sup>

Despite the growth in the size and production of the estate, the Board did not feel that it was justified in declaring a dividend. The company was already \$400,000 in debt for the current year, and expected to have to borrow an additional \$200,000. It still owed \$76,700 from the previous year and total dividends the past year

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<sup>20</sup> Board of Directors Meeting, June 12, 1911, BBC, Ser. 90, Minute Book 2.

<sup>21</sup> Board of Directors Meeting, June 30, 1911, BBC, Ser. 90, Minute Book 2.

<sup>22</sup> MR to John Craig, February 23, 1911, Leandro's recommendations for the 1912 campaign were as follows: Two boilers with furnace, chimney, etc, extensions to house piping, etc., one new crusher, six crystallizers, one spare injection pump, one boiler feed pump, one filter press pump, filter presses, one Deming separator, a washing plant for filter press cloths, steel buildings and additions, a new sugar warehouse, various tanks for condensed water and locomotive use, various employees houses, barracones, and with the costs of cane cultivation and an additional 11 caballerías for Spring cane, plus 25 cane cars, all of which he estimated would cost \$278,000. Executive Committee Meeting, May 22, 1912, BBC, Ser. 90, Minute Book 2A.

had equaled 32.5 percent for the one crop. Also, working capital was needed for the large mill expansion currently underway.<sup>23</sup>

The 1912 crop was by far the largest to date, yet fell significantly below expectations. Although Francisco produced 214,800 bags and one and one half million gallons of molasses, production was 15,000 to 35,000 bags below earlier estimates. The cause was the low sucrose content of the cane resulting from "very unfavorable weather," a condition, according to the minutes, that prevailed throughout the Island.<sup>24</sup> Nevertheless, Rionda claimed that Francisco had the highest yield of any estate in Cuba.<sup>25</sup>

Production would have been somewhat higher had not Rionda ordered that grinding be stopped early that year in all the eastern mills in which he had an interest. Once again, Francisco was threatened by armed rebellion.<sup>26</sup>

### La Guerra Negra: The Rebellion of 1912

In 1907, Evaristo Estenoz, a liberal leader of the 1906 Revolution, founded the Agrupación Independiente de Color (Independent Association of Color) later to become the Partido Independiente de Color (Independent Party of Color) largely

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<sup>23</sup> *Ibid.*

<sup>24</sup> Annual Stockholders Meeting, October 9, 1912, BBC, Ser. 90, Minute Book 2.

<sup>25</sup> MR to Leandro Rionda, March 12, 1912, BBC, Ser. 3. Rionda bitterly exaggerated the low yields on his estates in general: "Is it not wonderful that of all the 170 plantations in the Island of Cuba, and scattered all over the Island, we seem to have struck, singularly enough, the worst lands and cane?" MR to Alfred Jaretski, undated (c. March 27, 1912), BBC, Ser. 2.

<sup>26</sup> MR to José (Pepe) Rionda, May 23, 1912, BBC, Ser. 2.

representing the Black petit bourgeoisie in response to the failure of Cuban politicians of both parties to even recognize, far less alleviate, the severe problems of the Afro-Cuban population.<sup>27</sup> The 1911 Morúa Law, which banned political parties based on race, was the government's first attempt to suppress the P.I.C. After concerted but unsuccessful efforts to have the law repealed, members of the party resorted to armed rebellion. With the departure of Magoon and a de-escalation of the official U.S. presence, banditry and arson had become more and more frequent in central and eastern Cuba. In 1911 Rionda had complained that

The bandits are bad and a proof of the incapacity of the government, in Tuinucu, we have men under arms, which was never found necessary before. This was on account of threatening letters from bandits. When I rode to Francisco, I took four guards!<sup>28</sup>

As giant foreign enterprise monopolized the land and employment, and small foreign enterprise monopolized local retail trade, rural Cubans of all colors found themselves increasingly without resources--or even means of survival. Their only recourse was blackmail or banditry.

Concerted attacks on property began in May at the end of the zafra.<sup>29</sup> This timing indicates that the revolt was less a calculated than a visceral response to the immediate conditions of life, as an

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<sup>27</sup> Thomas, Cuba, p. 514, and Pérez, Cuba: Between Reform and Revolution, p. 221. The Afro-Cubans felt that as they had made a major contribution to the War of Independence, they deserved to share equally in the fruits of victory. There were very few 'fruits' to start with and what there were were corraled by the politicians.

<sup>28</sup> MR to Czarnikow-Records, January 5, 1911, BBC, Ser. 3.

<sup>29</sup> Rionda remarked that "It was very considerate of the revolters to have waited until nearly the whole crop was gathered." MR to Walter E. Ogilvie, May 23, 1912, BBC, Ser. 2.

attack during the *zafra* would have the potential to do far more economic damage than one carried out during the dead season. As Louis Pérez states,

. . . the immediate sources of the disturbances were no less compelling than the long-term ones. In a very real sense, they were the same. The peasants and farmers were losing their sources of livelihood even as they lost their claims on the land. It was not only that there was no work during the *tiempo muerto*; there was no adequate work during the harvest. . . .<sup>30</sup>

On May 20, 1912, the tenth anniversary of the Republic, armed bands rose in Havana, Santa Clara, and Oriente. Within three days 700 US marines were sent out from Guantánamo, a center of insurrection, into the surrounding hills.<sup>31</sup> The revolt was quickly crushed everywhere but in Oriente. Thus, most of the fighting took place there, where the massacre of Afro-Cubans by the Rural Guards became commonplace.<sup>32</sup>

“With the bad weather and the black’s war [*guerra negra*],” wrote Rionda, “I believe I would stop grinding in all the mills.”<sup>33</sup> The same day he cabled Central Washington to cease. “. . . I thought it advisable to stop in view of the political disturbance so that you could get rid of any discordant element.”<sup>34</sup> Simultaneously there was a raid by black insurgents on Central Washington. Rionda wrote his

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<sup>30</sup> Pérez, Lords of the Mountain, p.143.

<sup>31</sup> Fitzgibbon, Cuba and the United States, p. 149.

<sup>32</sup> See Pérez, Lords of the Mountain, pp.140-51.

<sup>33</sup> MR to Ricardo J. Silveira, May 23, 1912, BBC, Ser. 2. Pérez’s analysis of the uprising in Oriente in 1912 leads him to be highly critical of the race war interpretation, which he sees as a ploy by the elites to split the underclasses. There is little doubt that this analysis is correct. The term “*guerra negra*” is used here in the context of Rionda’s world, not that of the rebels. See Lords of the Mountain, pp. 153-54.

<sup>34</sup> MR to José (Pepe) Rionda, May 23, 1912, BBC, Ser. 2.

co-investor in the Washington Star Sugar company, Walter Ogilvie, that a "band of negroes" did minor damage to the estate. In explanation of why Central Washington had been singled out, Rionda stated that the movement had started in the surrounding Sagua district.<sup>35</sup>

Now we have an explanation for the absence of colored labor throughout the plantations this year--there is no doubt that they were being told that sooner or later they would have a chance to run to the woods and it was for that reason we saw so many groups of idle colored men loitering around the country stores.<sup>36</sup>

Though the damage was minor, Rionda uncharacteristically took the revolt seriously:<sup>37</sup>

Everyone considers these political disturbances rather serious: I participate in the same views. Notwithstanding the reports in the papers that everyone is supporting the Government, I have my doubts for, certainly, every business man who has witnessed the demoralization in the administration, from the President down, in every department, must assuredly [would] favour anything that would bring about better government. If the Negroes ever realize that they can fight without Whites and promote their own generals, I am afraid it will be a long time before they are quelled unless the United States takes very strong measures--the landing of 2,000 to 3,000 marines at any of the shipping ports will not prevent marauding bands of say ten men going through the country, destroying property and creating general mischief.<sup>38</sup>

As it happened, the United States did take "very strong measures." On May 31 a contingent of marines were landed at

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<sup>35</sup> MR to Walter Ogilvie, May 23, 1912, BBC, Ser. 2. Ogilvie was a Director of the United Railways of Havana and owner of the Central Caracus, once the fabulous estate of Tomás Terry.

<sup>36</sup> *Ibid.*

<sup>37</sup> Thomas describes the panic in Havana as reminiscent of the 'Great Fear' of the French Revolution. Thomas, *Cuba*, p. 523.

<sup>38</sup> *Ibid.*

Daiquirí, the same place they had first landed 14 years earlier.<sup>39</sup> The U.S. forces freed up the Cuban army and Rural Guard to randomly attack the Afro-Cuban population. Thousands were killed, many by decapitation or other forms of grotesque mutilation.<sup>40</sup>

As far as being a serious threat to the sugar estates, it was mostly over in a matter of days.<sup>41</sup>

All advices from Cuba indicate that this negro uprising has subsided--I don't know whether to be glad or sorry--I had been in hopes it would lead to the third and last American intervention. If the insurrection is quelched now, it will be temporary, only to breakout again sooner or later, for the Cuban government is anything but stable.<sup>42</sup>

The direct effect of the uprising on Francisco had been minimal. Only Leandro suffered for his uncle would not allow him to take his usual vacation in the U.S. "due to this unfortunate little negro uprising."<sup>43</sup>

In June Rionda wrote to Ogilvie, just having returned from Leandro's wedding in Cuba.<sup>44</sup> He no longer considered the situation serious but was bothered by a scene he had witnessed in Havana where he saw whites "tantalizing the blacks . . . ." He feared that that

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<sup>39</sup> Thomas, Cuba, p.523. This action, short of full-scale intervention, was termed a preventative policy. The aim was to "keep peace in Cuba, stay out of Cuba" (Philander Knox), the idea being to keep careful watch on Cuba in order to take early measures to prevent conditions arising that would necessitate outright military intervention -- this was a departure from Root's non-interventionist policy and was to remain in effect until 1923. Fitzgibbon, Cuba and the United States, p. 145.

<sup>40</sup> Pérez, Lords of the Mountain, p.150.

<sup>41</sup> Evaristo Estenoz was not killed until sometime in June and "By July 18 the last body of rebels had been cut to pieces . . ." Chapman, A History of the Cuban Republic, p. 313.

<sup>42</sup> MR to William J. Craig, May 28, 1912, BBC, Ser. 2.

<sup>43</sup> MR to Leandro Rionda, May 27, 1912, BBC, Ser. 2.

<sup>44</sup> Leandro married María Estrada, daughter of Rafael Estrada, the former Manager.



sort of behavior could lead to a real race war, but added that "There is no particular hatred between whites and blacks in Cuba . . . ."45

At the Annual Stockholders Meeting for 1912 the Board was undoubtedly under pressure from stockholders to declare a substantial dividend, as dividends the previous year had been minimal. The Directors felt, however, that they could not declare over 15 percent as a higher amount would leave too little working capital for the coming crop. Various obligations loomed: outstanding scrip dividends, the sinking fund, and mortgages. The Board also noted the possibility of disorder in Cuba "which would necessarily affect the credit of sugar companies there."46

### Growth and Contradiction

*" . . . it is always well to be able to sit and watch the canefields . . . "*

The year 1913 was one of a sharply falling sugar market and thus, for Francisco's management, a year of reevaluation and retrenchment.<sup>47</sup> Inevitably, the relationship with the *colonos* was the focus of their thinking. Gerard Smith, who was to be appointed Assistant Manager of the estate that year, was asked to do a study of the *colono* arrangements at Francisco to see if improvements could

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<sup>45</sup> MR to Walter E. Ogilvie, June 14, 1912, BBC, Ser. 2.

<sup>46</sup> They referred the matter of higher salaries for company officers to the Executive Committee for further consideration. Given the above conditions, it would hardly have been politic to have given themselves raises in full view of the stockholders. Annual Stockholders Meeting, October 9, 1912.

<sup>47</sup> The cause of the falling sugar prices was a large Cuban crop in conjunction with market disturbances arising from proposed tariff changes, which in turn resulted in selling pressure from Puerto Rico. Board of Directors Meeting, April 23, 1913, BBC, Ser. 90, Minute Book 2.

be made that would reduce costs and raise company profits.<sup>48</sup> In hard years, the company instinctively looked to the *colonos* to bear the losses. Smith's study of costs and returns of *colonos* not only provides a wealth of details regarding the economics of the *colono* system, but also reveals the extent to which *colonos* had become company employees.

Smith used as his hypothetical model a *colonia* of 30 caballerías having 2,600,000 *arrobas* of cane which at five percent equalled 130,000 *arrobas* of sugar equalling 10,000 bags or 3,250,000 pounds at 2 1/4 cents c.f. which is valued at \$73,100, that figure being his gross returns. Smith reckoned that after subtracting a long list of costs the *colono* would be left with about \$20,000. If, however, sugar prices were to fall to 2 1/8 cents, the *colonos* profit would equal only \$16,000, and at two cents only \$12,000.

Smith then listed a number of considerations:

Considering

That labour now is much higher than 10 years ago--That the labour question is very difficult--That the Francisco could not attend to all its cane-fields by administration in a satisfactory manner--That the *Colono* system, while having its disadvantages, it has many advantages, amongst which the most important one is that the Manager does not have to deal with the many details of the cultivation, nor the annoying ones of dealing with labour, thus leaving the Manager free to give his entire attention to the factory, railroad, shipments and many other branches of the business, all of them more than sufficient to keep him very busy--That the *colono* runs many risks of fire, death of cattle, loss of crop and many others--That the *colono* has to give his entire attention to the *colonia*

My inclinations are towards making the *colonos* some concessions for the above reasons; and furthermore, that if the *colonos* are not stimulated and have no hope for the future, their cane-fields will suffer sooner or later,

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<sup>48</sup> With the Rionda take-over a Director, presently Leandro Ronda, would thereafter be available to act as Manager of the estate, an arrangement which had always been desired but never attained. As Gerard Smith proved himself highly capable, the actual management fell increasingly to him while Leandro concerned himself more with formulating company policy regarding the estate.

their production will decrease, the quantity of cane for the mills will be decreased year by year, and then either the company takes over the cultivation, or the crop will be much less than the capacity of the factory. It is not well to be surrounded by men striving for a living and hardly getting it. Man must be well remunerated. If not disorder sets in. The company make money under all circumstances in their present position. The *colonos* should be given some additional share of the increased earnings of the company by its increase of capacity from 100,000 bags to 300,000 bags. Though the *colono* did not contribute with money towards this increase of capacity, yet the company, by now being larger, has become more dependent on the *colonos*.

. . . We have seen what happened to Niquero and San Antonio. They pressed the *colonos*, but they lost more than the *colonos* in the end. I believe in anticipating advances to all employees, rather than be forced to give them. The *colono* is nothing but an employee after all.

Smith's report resulted in some interesting recommendations:

First he wanted to abolish the 10 cents per 100 *arroba* railroad freight charge "It makes the railroad liable to be considered a public railroad," which would have meant that the *colonos* would have the right to use it to ship their cane to whatever mill they chose, ". . . it is a burden on the *colono*, which is not imposed on any other plantation I know of." Second, he recommended that the company guarantee the *colono* the minimum price of  $2 \frac{3}{16}$  cents per pound for his sugar from the 1913 season to the end of their contract. Third, if the market were to go over  $2 \frac{5}{8}$  the company would take the difference.

Smith then did a short cost analysis from the company's point of view and showed how, were his recommendations to be accepted, the company's costs would be \$5.12 per bag or \$1.60 per 100 pounds of sugar. Smith does not say so, as it would have been obvious to anyone who might have read his report, but with the above costs,

even if sugar sold at two cents, the company would still be earning 40 cents per pound.<sup>49</sup>

The Board accepted, in principal, some of Smith's recommendations. They set 2 1/4 cents as the minimum guaranteed price for the *colonos'* sugar and abolished the obnoxious railroad freight charge. They also agreed to consider removing all or part of the 20 cent charge for empty bags.<sup>50</sup> Their principal rationale was that while the *colonos* were receiving the same percentage of sugar for their cane as at the company's founding, labor costs had risen 25 to 30 percent, and in addition, the lands were yielding a lower quantity of cane per acre than formerly. The company also admitted that "under present conditions of labor in Cuba" it would be very difficult to increase the amount of administrative cane. Also mentioned was the increased size and efficiency of the factory which "materially lowered the cost of production."<sup>51</sup>

During the 1913 zafra the company did not experience the labor shortages of the previous two seasons, thus wages stabilized, but the sucrose content fell to even lower percentages than those of 1912.<sup>52</sup> Of course the poor market was the worst aspect of the

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<sup>49</sup> Smith did not attempt to calculate the company's debt service, taxes, etc. "Study made January 22nd, 1913 relative Colonos at Francisco", BBC, Series 10, ("Francisco Sugar Company" folder).

<sup>50</sup> Board of Directors Meeting, April 23, 1913, BBC, Series 90, Minute Book 2.

<sup>51</sup> Executive Committee Meeting, April 23, 1913, BBC, Series 90, Minute Book 2A.

<sup>52</sup> MR to Czarnikow-Rionda, December 30, 1912, BBC, Ser. 3, and *Ibid.* This was the first year in which United Fruit brought in Haitian labor for the zafra, thus marking the beginning of a new era for the industry. Thomas, p. 525. These "*isleños*" were to have a significant effect on the cultural, as well as the economic life, of eastern Cuba.

season; prices fell so low that the company was forced to store in U.S. warehouses 30,000 to 40,000 bags of its 257,000 bag output in hopes of better prices later in the year.<sup>53</sup>

During this period Rionda held several meetings with the railway magnate, Sir William Van Horne, who was responsible for the eastern half of the line between Havana and Santiago completed in December of 1899.<sup>54</sup> A letter to Van Horne, which he wrote a few days after the two met for discussions at Martí, reveals much about Rionda's view of the Cuban sugar industry, and presages the one great failure of his lifetime: The Cuba Cane Corporation which he was to form two years later.

Cuba, Rionda believed, was in a unique position: it had the largest sugar market in the world at its doorstep, and the United States had nowhere else to buy sugar. Rionda was convinced that Cuba ought to be able to receive more for its sugar than it was getting. The problem, Manuel thought, was that there were too many sellers. If Cuba's sugar could be bought up by only one or two sellers, the price would naturally rise. Of course Rionda was suggesting nothing more than a monopoly, or at best a cartel, to create a seller's monopsony. His attempts to mirror Havermeyer's Sugar Trust on the production end ultimately failed during the Great Depression with

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<sup>53</sup> *Ibid.*(Board Meeting)

<sup>54</sup> The Cuba Railroad, which passed through Martí, was instrumental in opening up the interior of Camagüey and Oriente to sugar. Without it, industrialized centrales could not have located in interior Cuba, for not only would they have had no way to get their product to market once erected, but there would have been no way to erect them as it would not have been possible to transport the heavy machinery necessary in modern mills to the mill site. Several of Rionda's mills, including Tuinucu and Washington were dependent upon the Cuba Railroad.

Cuba Cane, but the cause was fatefully poor timing, not faulty reasoning.<sup>55</sup>

The following year, 1914, the estate nearly broke the 300,000 bag mark. Production equaled 293,300 bags which were sold at an average price of 2.069 cents cost and freight, basis 96°. The price was low, but "the market ruled at very low prices during the beginning of the year, touching as low as 1 7/8 and not reaching 2 1/4 cents until late in April." Yield was high at 12.89 percent.<sup>56</sup> In this, the fifth crop taken off under Rionda control, the company was accelerating its rate of growth and prospering in every regard. The Board meeting of June 29 could have been conducted for the first time ever in Spanish, for every member present spoke the language as a native.<sup>57</sup>

The 1915 zafra saw the beginning of the escalation of world sugar prices in response to the cutting off of beet sugar sales from Germany and the Austro-Hungarian Empire. F.O.B. prices averaged 3.41 cents, by far the highest since the early 1880s.<sup>58</sup> The company responded immediately with the purchase of additional rollers from the Fulton Iron Works to create a two-tandem mill of 14 rollers each. Other capital expenses which the growing company could now afford included new cane cars, a warehouse, a new vacuum pump, Babcock

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<sup>55</sup> MR to Sir William Van Horne, January 21, 1913, BBC, Ser. 3. He also asked Van Horne to build a small railway station at Martí so passengers to and from Francisco would not get wet in the rain.

<sup>56</sup> Board of Directors Meeting, June 18, 1914, BBC, Ser. 2.

<sup>57</sup> Members present were Manuel Rionda, Manuel E. Rionda, Leandro Rionda, Bernardo Braga, and Raphael Zavalllos, all kin.

<sup>58</sup> Alvarez Díaz, et al., A Study on Cuba, Table no. 154, p. 235, and Galloway, The Sugar Cane Industry, fig. A2, p 239.

& Wilcox boilers and the reshellings of the crusher rollers. In light of the much increased value of the company's real assets, the Board also authorized the increase of capital stock from \$500,000 to one million dollars. Operating profits for the year topped the one million mark at \$1,062,000.<sup>59</sup>

It would seem that prosperity heals all wounds, for W.N. Allen, son of Frederick Allen who had dragged the company through court for over two years in an attempt to stop Rionda's buy-out, made a statement at the Board meeting "expressing his appreciation to the officers of the company in the wise manner in which they had conducted the affairs of the company, etc, and for the liberal and generous way they had shared (promptly) the prosperity of the company with the stockholders." Dividends for the past two years had been averaging between 25 and 30 percent.<sup>60</sup>

The year 1916 was a banner year for Francisco. Labor was abundant, which was not the case with other centrales in eastern Cuba, and sugar rose to 4.47 cents FOB, nearly a 25 percent increase over the previous year of high returns. <sup>61</sup> Francisco received an average price per pound of 3.94 cents for a new record of 306,500 bags. <sup>62</sup> By October, the company's surplus totaled \$1,861,700 and

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<sup>59</sup> Special Meeting of the Board of Directors, April 7, 1915, and Special Meeting of the Board of Directors, June 28, 1915, BBC, Ser. 2.

<sup>60</sup> *Ibid.* (April 7).

<sup>61</sup> "As regards labor, Francisco is in good shape and we are not suffering from shortage as most other plants seem to be." Gerard Smith to MR, August 28, 1916, BBC, Ser. 1. Alvarez Díaz *et al.*, A Study on Cuba, Table no. 154, p. 235.

<sup>62</sup> Special Board of Directors Meeting, June 1, 1916, BBC, Ser. 90, Minute Book 2. These figures do not imply the Francisco was receiving below market prices. Francisco's return

assets equaled \$2,663,000. The *colonos* account stood at \$175,000, significantly higher than a few years earlier, but lower in proportion to assets.

The company virtually went on a spending spree adding new rail lines, rolling stock, two new wharves, and another warehouse. Rionda ordered himself a custom-made private railway coach with six-wheel trucks and heating in case the car need be sent north into the U.S. to bring visiting Directors and other dignitaries down to Cuba. "I think we should have the vestibules, . . . for it is always well to be able to sit and watch the canefields . . . ." <sup>63</sup>

The Treasurer, Rafael Zavallos, reported that the company held cash in banks in the United States amounting to \$93,000 and in banks in Cuba \$87,000. <sup>64</sup> Never before had the company allowed nearly 50 percent of its cash deposits to remain in Cuban banks. We must wonder whether this fact signaled a greater sense of confidence in General Menocal's ability to maintain social order on the island.

When it came to sharing profits, management demonstrated far more largesse with the shareholders than with the *colonos*, for among organic, green commodities, it was more profitable to sell money than cane. Despite the earlier concessions, the plight of the *colonos* had become so alarming by 1915 that the Board was forced to charge off over \$30,000 to the *colonos* reserve account. This

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was plus costs, insurance, and freight (c.i.f.). Thus 4.47 cents was the amount refineries paid to firms such as Czarnikow-Rionda and B.H. Howell Son & company for sugar off the ship. It might be inferred from these figures that Czarnikow-Rionda was marking up estate sugars at about one-half cent per pound; c.i.f. expenses would have cut into this figure appreciably.

<sup>63</sup> MR to Leandro Rionda, October 18, 1916, BBC, Ser. 2.

<sup>64</sup> Annual Stockholders Meeting, October 11, 1916, BBC, Ser. 90, Minute Book 2.



amount was in addition to \$40,000 credit allowed from previous crops. It seems that the *colonos* continued to be caught between rising labor costs and low mill receipts. As the sugar agronomist Franklin Earle states,

With the *colono* system, one of the worst drawbacks is that, as a rule, the farmer is without sufficient capital and must depend on advances from the mill for making and harvesting his crop. In only too many cases he manages so poorly that he keeps slipping farther and farther into debt until finally he loses hope of ever being able to pay out, and it becomes his ambition to see how deeply in debt he can get before the company calls a halt.<sup>65</sup>

Earle even claims that there were certain advantages to being in debt, as debtor received preferential treatment during the harvest so as to insure better collections. Ferencio Peraza, one of the long-time Francisco *colonos*, was so pressed that much to Rionda's surprise, he could not afford a railroad weigh scale needed to check cane weights in the field, a vital piece of equipment.<sup>66</sup> Gerald Smith's warning two years earlier was to be borne out in the coming year.

### La Chambelona: The Revolution of 1917

*"We innocent of all these doings are the ones to be sacrificed!"*

As the 1916/17 *zafra* approached the *colonos* were becoming increasingly angry. As late in the year as December 22, crop liquidation's had still not been received. In addition, many of them had for years remained dissatisfied with the system whereby they were paid for their cane on the basis of the company's average returns rather than the Havana monthly prices (*promedio*).<sup>67</sup> In a

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<sup>65</sup> Earle, Sugar Cane, p. 245.

<sup>66</sup> MR to John Craig, August 10, 1903, BBC, Ser. 1.

<sup>67</sup> Gerard Smith to Mr, December 22, 1916, BBC, Ser. 1.

larger sense, they no doubt realized that at current sugar prices the company was making substantial profits, and they wanted their rightful share. Not even the newly formed company baseball team could take their minds off of their troubles.<sup>68</sup>

On November 30 Gerard Smith received a petition signed by 26 out of the 31 *colonos* requesting that their accounts be figured on the basis of the Havana price rather than that of the company's. Smith carefully listed the five *colonos* who refused to sign, one, not surprisingly, being the representative of Rionda's nephew, Higinio Fanjul. "The principal malcontents," as Smith called them, were Florencio Peraza, Segundo Rieram, José M. Pérez and Roque Piña. Smith claimed that the majority of the signers had "unwittingly" signed believing that it was the matter of late liquidation's that was at issue, not the basis of returns.

Smith's claim seems highly unlikely, even ingenuous. One would presume that the petition the *colonos* signed was identically worded as that transcribed into type and copied for company records. At the top of this document a short paragraph in Spanish clearly states the signatories intent. No mention is made of liquidation's, only a request that the company commence to use the Havana market averages to figure sugar liquidation's. While a few of the *colonos* may have been only semi-literate, given the relatively high literacy rate in Cuba at that time and the financial/contractual responsibilities of the *colonos*, it seems more than likely that the great majority could read. Finally, we must ask whether, given the

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<sup>68</sup> Gerard Smith to MR, August 8, 1916, BBC, Ser. 1.

control the company exercised over every aspect of the lives of the *colonos*, a *colono* would have been likely to have signed any document addressed to management without being absolutely certain of its content.

Rionda reacted predictably to the *colonos*' request: insisting that the *colonos* would profit more in abiding by the company average he exclaimed ". . . I want to be on record with those *colonos* so that when the time comes, and they realize how foolish they have acted, they will be more ready to accept our methods without question."<sup>69</sup>

In a letter of the same date to his nephews, Victor and Higinio Fanjul, in Cuba, he became positively vitriolic: claiming that the difference between the Havana prices and the company prices amounted to a \$100,000 loss for the *colonos* and an equal gain for the company, he declared his intention to use the money to take Cuba Cane sugar to Havana and reduce the price closer to parity with the New York market, ". . . in other words, with their own ammunition we will be able to 'shoot them down' and at the same time benefit Cuba Cane."<sup>70</sup>

We must ask what produced this vehement reaction to a request that according to Rionda would benefit the company to the tune of \$100,000? Three reasons come to mind: first, Rionda was not a man to brook insubordination, which to his mind the *colonos*' refusal to abide by his plan must have been; second, Rionda prided

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<sup>69</sup> MR to Gerald Smith, January 2, 1917, BBC, Ser. 2.

<sup>70</sup> MR to Boys, January 2, 1917, BBC, Ser. 2.

himself above all on his abilities as a sugar merchant, and to suggest that the company averages were below the Havana averages was the ultimate insult to this pride; and third, there may have been in the *colonos'* request an insinuation that the company was not honestly reporting their average prices. If this last be the case, there is no wonder that the fiery Asturian reacted as he did.

Speculation aside, the entire episode reveals the less than cordial relationship that had come to exist between the company and the *colonos* by 1916. The *colono* system was primarily designed to buffer management from labor, and now with labor shortages and demands for higher wages, the *colonos* had hold of the wrong end of the stick. It was only natural that they would look to the company for relief--where else could they go?

The demands for labor in eastern Cuba were skyrocketing. The great surge in sugar prices and the resulting activity was spread across the economic spectrum. Not only centrales, but the railways were absorbing vast numbers of workers. The tracks were in no condition to handle the enormous increase in traffic. Rionda complained that the Cuban Railroad was in an atrocious state with “. . . wrecks of cars and locomotives all along the road” and noted that a large labor force had been employed to put the track in good condition. He complained about the “great scarcity” of labor, “. . . due in part to uncertainty in politics, which probably is the reason for large sums of money being distributed among voters,” but he observed that there were “importations of laborers being made from

Hayti, Santo Domingo, and even Mexico.”<sup>71</sup> Cutters at Francisco were receiving 70 to 80 cents per 100 *arrobas*, while “Manatí and everybody else [were] paying higher.”<sup>72</sup> In 1917, for apparently the first time, Jamaican and Haitian labor was brought to Francisco.<sup>73</sup>

Meanwhile, political events at the national level were approaching the boiling point once again. General Mario García Menocal, President of the Republic since 1913, and former Manager of Central Chaparra, was presiding over Cuba’s most abjectly corrupt government yet. With the astonishing growth of the sugar industry and with sugar now bringing unheard of prices, the government was wallowing in lucre from easily obtained foreign loans and the notoriously fraudulent lottery. From the inception, Cuban politics had provided a living for the thousands who would otherwise have had no prospects in a nation dominated by foreign capital--and it provided great wealth for those ruthless enough to claw their way to the top. Menocal and his administration epitomized the worst of these unsavory features. Not surprisingly, Menocal was intimately associated with the United States.<sup>74</sup>

Menocal stood for reelection against the Liberal candidate Alfredo Zayas in 1916. The campaign was bitter and violent; the

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<sup>71</sup> MR to Boys, January 5, 1917, BBC, Ser. 2.

<sup>72</sup> MR to Gerard Smith, January 22, 1917, BBC, Ser. 2.

<sup>73</sup> Gerard Smith to Leandro Rionda, February 15, 1917, BBC, Ser. 10. The passage of the 1917 Immigrant Labor Act allowed for the mass importation of contract labor thus allowing a large illegal business to become legitimate.

<sup>74</sup> Menocal’s first term (1913-1916) was punctuated with several scandals involving U.S. interests, including the Havana bridge project and the Cuban Ports company (begun under Gómez). Fitzgibbon, *Cuba and the United States*, pp. 152-54.

results were predictable--election returns were patently fraudulent. In February of 1917 the Liberal Party leaders, including Zayas, Gómez, "Pino" Guerra and Gerardo Machado prepared for revolution. One more attempt at elections was made in the province of Santa Clara. At one point the Liberals had a majority of 1165 votes, but out of the 2400 votes which remained to be counted, the result was Liberals, 21 votes and Conservatives, 2379.<sup>75</sup> This patent farce was the signal for all-out war. By the middle of the month the revolt had spread to all parts of the Island.

General Menocal, having had military experience, met the challenge to his authority vigorously. His seasoned response in combination with initially tentative U.S. backing crushed the revolt in the west and in the east held it in check.<sup>76</sup> There was some question of the loyalty of the Cuban army and "some sugar interests in New York appealed to the unofficial Liberal mission there for protection for their Cuban properties."<sup>77</sup>

With the Island in the grip of a revolution, Rionda delayed his return to New York and decided to remain on the scene--or at least near it in Havana.<sup>78</sup> He was both pessimistic and contradictory in his almost frenzied response to the uprising.

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<sup>75</sup> MR to Boys, February 22, 1917, BBC, Ser. 10.

<sup>76</sup> Aside from the close ties between Menocal and U.S. interests, the United States, on the verge of declaring war on Germany, was interested only in maintaining the status quo in fear that any change could play into the hands of its enemies. *Ibid*, p. 157.

<sup>77</sup> Fitzgibbon, Cuba and the United States, p. 158.

<sup>78</sup> "I intended to go visit some of our plantations last week, but with fighting even 15 miles from Rosario, I thought it was better to stay here though I must confess I prefer the country." MR to Jaretski, March 17, 1917, BBC, Ser. 1.

These troubles will not be over in a week or in months! Menocal has made up his mind to take every chance to accomplish his desires and doesn't think of the planters or the *colonos*; his one thought is his presidency and quelling the revolt. But what does he gain by winning?<sup>79</sup>

He offered to resign the Presidency of Cuba Cane "if my not being an American prevents my appealing to the American Minister here or to Washington!" The Revolution was a complete mystery to him.

Pretty soon we will have strikes and famine somewhere and sugar at 4 cents. It is incomprehensible, unthinkable!!! The Cubans rebelling in the midst of this prosperity, they do not deserve any consideration from the U.S.". . . Under the Platt Amendment, the U.S. can interfere whenever there is war here--we have it now!<sup>80</sup>

Rionda scratched out several draft letters to various U.S. officials including William Gonzalez, U.S. minister to Cuba, and President Woodrow Wilson requesting immediate intervention. Daily losses throughout the industry totaled 100,000 bags, he told these U.S. officers of state, with a value of \$1,200,000.<sup>81</sup> "In the dead season these conditions would be negligible," he stated, "Now in the middle of the crop, they are continuous with no end in sight." The season's production had already been reduced from 10 to 20 percent, he claimed, and "The rate of loss will mount higher and higher as the prostration persists."

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<sup>79</sup> MR to Boys, February 22, 1917.

<sup>80</sup> *Ibid.* All the principal men in both parties are largely interested in sugar, tobacco, and cattle. No one could expect them to run the risk of heavy losses. . . . It was not like in 1896 or even 1906 when the men to start the war had little to lose. . . . Good God! We innocent of all these doings are the ones to be sacrificed! A repetition of 1896 when Cuban and Spaniard did not fight with each other but destroyed plantations." MR to Jules Ganzoni, March 7, 1917, BBC, Ser. 3.

<sup>81</sup> Available records do not make it clear if any or all of these drafts were finished and mailed.

Rionda also pointed out that the destruction of portions of the Cuba Railroad between Santa Clara and Santiago meant that the ingenios along that route were cut off from their cane supply, had no way to ship sugar, nor even to get food in to the inhabitants.

"Starvation," he said, "is actually before the population."

The majority of these threatened and damaged estates are American property. While coastal estates in the eastern provinces may be supplied and victualled from the sea, the inland properties are and will remain helpless unless the railroad can be opened and operated. This is a sample of the many interdicted and suppressed activities mounting in all to an alarming total., assuring great loss and threatening national bankruptcy.<sup>82</sup>

At the time of writing Camagüey was under the control of the rebel leader Gustavo Caballero, while Oriente's Liberal governor, García Muñoz, commanded that large province including the nation's second city, Santiago de Cuba. Within days, however, Caballero was driven from the city of Camagüey, but he retained control of many of the rural areas of that province. In much of Oriente also, the rebels continued to threaten the propertied interests.<sup>83</sup> Whereas the political dispute between factions of the ruling elite was largely settled within a few months, the fighting "served as a spark to ignite the mounting social unrest in rural Oriente into open warfare."<sup>84</sup> And in neighboring eastern Camagüey, we must add.

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<sup>82</sup> MR to William Gonzalez, February 22, 1917, BBC, Ser. 2. The Cuba railroad is on its back! No trains -- all employees have been discharged -- excepting the station masters at the principal stations! No telegraphs, no railroad -- no provisions -- no money to pay the hands! How long can this continue? There will be no provisions in Santa Clara, Camagüey, Sancti Spiritus, Bayamo and other interior towns. The Cuba Co. road was bad before the war, how can it be now? All talk about politics and Menocal and Zayas and elections -- what of planters, merchants, and working men! MR to Boys, February 17, 1917.

<sup>83</sup> Thomas, Cuba, p. 529, and Pérez, Lords of the Mountain, p.183.

<sup>84</sup> *Ibid.* (Pérez).



Rionda's first word from the estate was a cable from Smith received late in the evening of February 14.

All quiet at Francisco--all troops have left for Camaguey--grinding about 250,000 daily--rumors of new efforts to recruit more people here but nothing definite--Please advise New York that we are alright.

A day later the situation at Francisco had deteriorated. "Today things do not look quite so good as they did last night," Smith wrote Leandro. "Roque Piña, Rivero, and Antonio Pons have all arrived here and there is lot of mystery about their movements." The three *colonos* were rumored to be recruiting people for the insurrection.

Among the *colonos* were supporters of both sides of the conflict. The Conservatives started a movement to arm themselves, much as they had in 1906, but Smith convinced them that doing so would only aggravate the situation. Several left the estate to seek refuge in Manzanillo rather than face the Liberals unarmed.

The normal workings of the plantation were becoming increasingly difficult. Not only were *colonos* leaving to join armed movements or seek refuge in nearby towns, but the cutters were abandoning the canefields.

The thing which disturbs me most . . . is that practically all of the Cuban workmen are leaving the cane fields and *tumbas* . . . Some say that they have sickness in their families, others that their families are alone and they want to be with them, and still others openly say that they are afraid to continue working.

Smith attempted to continue grinding, but was running short of cane. "Our salvation . . . has been the Haytians and Jamaicans. They are all scared but I have promised them to pay them for whatever they cut whether it is loaded or not."

The telephone lines were all cut and the crews were afraid to go out to make repairs. New construction was at a halt: "we are so

short of people now that we have to use the mechanics for driving engines, attending boilers, etc." Smith said he was doing all he could to keep things going, ". . . but you can imagine the state of mind of the workmen."<sup>85</sup>

In the next few days the rebels, led by Francisco's militant former *colono*, Roque Piña, made threats against the estate. Smith sent a call for help via Manzanillo to the U.S.S. Connecticut lying off shore. Muniz summoned help on land and Cuban government forces under Villunendas arrived to take the families on the estate to a safe haven. When Smith saw that adequate help had arrived, he felt it safe to leave the wharf and return to the batey to resume grinding. He found that most of the cane had been burnt and that the *tienda* had been robbed of boots, harness, and provisions.<sup>86</sup>

Rionda exclaimed that ". . . Connecticut will be a name sacred to me hereafter. I really believe you did mighty well to call the marines (Americans)" He sent Smith \$30,000 in cash to cover expenses and suggested he issue temporary currency in \$1, \$2, \$5, \$10, and \$20 denominations just as Manatí had done.<sup>87</sup>

The last days of February and the first of March saw a flurry of telegrams from Rionda demanding that the United States send a man-of-war to guard Central Stewart on the southwest coast of Camagüey. Alfred Jaretsky, Rionda's attorney at Sullivan & Cromwell, and liaison with the State Department, refused to forward Rionda's

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<sup>85</sup> Gerard Smith to Leandro Rionda, February 15, 1917.

<sup>86</sup> MR to Gerard Smith, February 28, 1917, BBC, Ser. 3. (letter summarizing information Rionda had received to date).

<sup>87</sup> *Ibid.*

request: "Tell Mr. Rionda cannot reasonably request Government send warships or land marines at every port near sugar plantations . . . moreover it will weaken our standing at the Department if we make unreasonable requests."<sup>88</sup>

Two days later Rionda had regained his composure.

You seem to think I was too excited during the terrible fires, but one cannot help one's nature.

I never thought this trouble would be crushed by force of arms because Cubans never stand to fight. However Menocal has shown them that risings against the Government cannot take place without punishment.<sup>89</sup> I would have preferred to have had U.S. intervention--but of course it was impossible to obtain. If U.S. unfortunately gets into war with Germany, Cuba will be a very strategic position as far as the Panama Canal is concerned--Cuba cannot protect herself. She is too valuable to be at the mercy of the Germans.

I cannot help thinking great events are before us.<sup>90</sup>

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<sup>88</sup> Jaretski to Juan Ceballos, March 6, 1917(telegram), BBC, Ser. 1.

<sup>89</sup> Two weeks earlier Rionda had said Menocal had no thought for the planters or colonos. In that same letter he goes on to say, "Menocal precipitated the trouble by threats and arrests prior to the uprising. He was continually saying 'Revolt if you will and take to the woods, the sooner the better! The first one I will dispose of is Ferrara, then José Miguel Gómez and then a few more.' Therefore, what other road was there left open for these men but to 'take to the woods.'" MR to Boys, February 22, 1917. Rionda had always been sympathetic to the Liberals and worked closely with them when they were in power. It was the destruction of property and perhaps signs that the Revolution could fall into the wrong hands that made him change his mind. "Up to February 11th the sympathies were with the Liberals; after that I, for one, left them, especially when they commenced to burn!" MR to Albert Strauss, March 16, 1917, BBC, Ser. 10. In this same letter, Rionda thanks Strauss for his memo on the Colombian sugar industry and says, "Perhaps we may have to go somewhere else. Just now I am not so enthusiastic about Cuba!"

<sup>90</sup> MR to Jaretski, March 8, 1917, BBC, Ser. 1. Rionda was assuredly in an historic mode of thought. "Little I thought . . . that inside of a month Cubans would be involved for the fourth time in my life in a civil war! What is the matter with humanity?? Are we like the Romans about going to collapse?? Is our civilization a farce??" MR to Jules Ganzoni, March 7, 1917.

As Fitzgibbon puts it, "the back of the Revolution was broken on March 7 with the defeat and capture of Gómez."<sup>91</sup> But the fighting was far from over, especially for the remote areas of the eastern provinces such as that of Guayabal. At neighboring Central Elia the Manager was afraid to grind without "a guarantee from the revolutionist," but Smith got a message to Caballero requesting that "he instruct his leaders to authorize grinding," which the rebel commander did immediately.<sup>92</sup>

Francisco was operating far below capacity as outlying *colonias* were under attack by the rebel forces and could not get their *tareas* into the mill.<sup>93</sup> "The entrance of Government troops in Francisco has ruined us so far as the possibility of completing the crop. . . in the last three days we have passed through a period of terrorism and destruction such as I have never seen before . . ."<sup>94</sup> As the government troops entered the estate the rebels set fire to twelve *colonias* as they fled. "We have less than five million *arrobas* standing cane left and fires still raging."<sup>95</sup> On the twelfth Rionda received a wire from Smith via the U.S.S. Connecticut which

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<sup>91</sup> Fitzgibbon, Cuba and the United States, p. 159. Chapman, Thomas, and others concur in this judgement. c.f. Waldemar León, "Caicaje: batalla final de una revuelta." Bohemia, no. 59, June 30, 1967, pp. 100-02.

<sup>92</sup> Gerard Smith to MR, March 5, 1917, BBC, Ser. 10.

<sup>93</sup> *Ibid.*

<sup>94</sup> Gerard Smith to MR, March 12, 1917, BBC, Ser. 10.

<sup>95</sup> *Ibid.*

concluded with the words "Messenger sent by to Manatí shot by rebels."<sup>96</sup>

A few days earlier two companies of U.S. marines were landed at Guayabal which saved the town from destruction. They then marched to Francisco's batey, saving it and the sugar house. Once established at the batey, they set up a wireless base which put Francisco in direct communications with Key West and all the battleships in the area.

Smith and the marine commander, Major Lyman, immediately began negotiations with rebel leaders including Roque Piña, Manuel Cabrera, and Julio Caballero. An armistice was made by which the rebels agreed not to interfere with the harvesting and grinding of the cane either at Francisco or Elia, which agreement was later confirmed by General Gustavo Caballero. In exchange, the rebels were given free run of the plantation, and food. They also took a few horses from the *colonos* which Smith "regretted," but "deemed wisest to overlook . . . ."<sup>97</sup>

For several days matters remained relatively calm, but on the morning of the 10th, the Cuban government started troops from Martí. At that point the rebels set fire to the canefields and fled. The only fields Smith was able to partially save were those of the company.

Out of the 30 *colonos* who maintained 29 *colonias* on the estate, 16 suffered a 100 percent burn, and nearly all the rest sustained

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<sup>96</sup> Gerard Smith to MR, March 12, 1917 (telegram), BBC, Ser. 10.

<sup>97</sup> Gerard Smith to MR, March 12, 1917.

substantial damage. Only Manuel Cabrera, one of the rebel leaders, lost less than one-third of his cane, and he had a relatively small *colonia* of just over six caballerías.<sup>98</sup>

Francisco and Elia, according to Rionda, “suffered most of all the estates in Cuba.”<sup>99</sup>

That man-of-war does not come! I have never felt so discouraged in my long life of struggles as I do now. I receive so many appeals from those places, from ladies who are afraid, from the *Colonos* who want to abandon their *colonias*. I am helpless--I can do nothing--but bear it.<sup>100</sup>

Not only was Rionda discouraged--he was bitter. “Cubans,” he said, “have shown their taste for destruction infused in their blood during the Spanish-Cuban War is so strong as to counterbalance their good judgment.” He went on to argue that it was absurd for Cubans to believe that by destroying property they could force U.S. intervention. If that policy worked, he claimed, all of Latin America would order the U.S. about as they pleased. “Cubans are destroying confidence in Cuba. No more capital will be flowing here from now on,” he declared in the wireless message sent to Smith through the battleship Connecticut.<sup>101</sup>

From his perspective, Rionda had reason to be bitter. Francisco’s losses totaled 17 million *arrobas* of cane which would have yielded between 160,000 and 170,000 bags with a market

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<sup>98</sup> *Ibid.* Normally burned cane would be ground to obtain at least a partial yield, but as it dried out quickly, if it was not harvested and ground immediately it was soon worthless. Under the prevailing conditions, the mill could not keep up with the burned cane supply, thus most of the burned cane was actually lost to its owners.

<sup>99</sup> MR to Albert Strauss, March 16, 1917.

<sup>100</sup> MR to Jaretski, March 8, 1917.

<sup>101</sup> MR to Gerald Smith, March 14, 1917 (carbon of wireless message), BBC, Ser. 3.

value of around two million dollars. The lost cane amounted to about 45 percent of Francisco's crop.<sup>102</sup> He tried to wax philosophic about his losses saying that "While the monetary loss is enormous, I repeat, I am glad we have no loss of lives to lament--all the other can be borne." (he must have forgotten about the company messenger shot in an attempt to get a message to Manatí).<sup>103</sup>

Rionda expected to collect war claims from either the Cuban or U.S. government by way of reimbursement for the damage done to the estate. He doubted that the *colonos* would receive anything, so he planned to divide any moneys awarded to Francisco among the *colonos* "so long as they were not 'Alzados' (rebels). "You can assure the *colonos*," he told Smith, "that I shall see that they get the largest share."<sup>104</sup>

But Rionda was not a man to wallow long in his emotions. He advised Smith to "forget the past and look forward," and was soon talking about the coming crop. He would rather give \$50,000 to \$100,000 too much to rebuild the canefields if he could make 350,000 bags as opposed to only 300,000 bags.<sup>105</sup>

Life in Cuba went on as before. In repayment of his debt of gratitude to the United States, one day in the wake of the U.S. declaration of war against Germany Menocal's government followed

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<sup>102</sup> Special Meeting of the Board of Directors, May 16, 1917, BBC, Ser. 90, Minute Book 2.

<sup>103</sup> MR to Gerald Smith, March 19, 1917, BBC, Ser. 3.

<sup>104</sup> *Ibid.*

<sup>105</sup> MR to Gerard Smith, April 3, 1917, BBC, Ser. 3. If sugar was selling at four cents, then the additional 50,000 bags in question are worth \$700,000, or at least \$200,000 net--no wonder he is willing to spend \$50,000 to \$100,000 too much.

suit. The General was declared re-elected and inaugurated May 20, 1917. Soon after he agreed to the sending of 1600 US troops to Oriente for "training" to protect sugar properties and another 1000 troops to Camagüey. These last were not withdrawn until 1923.<sup>106</sup>

At some point the Revolution of 1917, or La Chambelona as it came to be called, ceased to be a struggle between political insiders and outsiders among the elite, or at least the politically enriched petty bourgeoisie.<sup>107</sup> That quarrel was settled by a relatively few men with relatively little blood spilled. After the defeat and capture of Gómez on March 7, the struggle increasingly took on the character of a peasant rebellion. "As in 1912," writes Pérez, "the social merged easily and indistinguishably with the political, and ultimately transcended it."<sup>108</sup> As early as March 5, Smith reported from Francisco that while the Liberal revolutionaries were frightened and "making frantic efforts to 'get under cover,' "Those who are now continuing their depredations are the Negroes who are traveling around in small gangs stealing whatever they can, principally horses, food, and firearms." Caballos, on the other hand, was by this hour on his way to negotiate a surrender with the Admiral of the U.S. fleet.<sup>109</sup>

By March 17 the marauders were on the increase: "surrounding country infested with bands of outlaws burning and destroying

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<sup>106</sup> Fitzgibbon, Cuba and the United States, pp. 161-62.

<sup>107</sup> The Lollipop, after a popular, Liberal conga sung during the campaign. See Thomas, Cuba: The Pursuit of Freedom, n.15, p. 531.

<sup>108</sup> Pérez, Lords of the Mountain, p. 183

<sup>109</sup> Gerard Smith to MR, March 5, 1917, BBC, Ser. 10.



stop.”<sup>110</sup> Three weeks later the situation was still far from normal. The *colonos* refused to leave the bateys to work the fields and at least one bandit was threatening the neighborhood. “What Fernando Fernández is now doing is what all Cuban rebellions turned into-- bandits! I hope he will soon be caught.”<sup>111</sup>

On April 5, Rionda was happy to report that Roque Piña, leader of the Liberal faction of the Francisco *colonos*, had been captured. “Little by little I believe that the *colonos* are becoming reanimated,” he said.<sup>112</sup> Rionda spoke too soon, however; on April 11 he learned from Smith that matters were still in turmoil.

I presume that in Havana they tell you that ‘everything is quiet’ here in Francisco. I wish that . . . were true but . . . we are every bit as much upset as we ever have been and the ‘reign of terror’ continues unabated. We are surrounded by Rebel forces on all sides, those of Mariano Caballero, Roque Piña, Fernando Fernández, Rogelio Sala Bazán and several lesser chiefs being encamped in our *finceros*.<sup>113</sup>

On April 10 a three-hour firefight took place on one of the *colonias* using up 950 cartridges but killing only one man. That night the guard at the dock was attacked and the fight continued along the railroad line coming so close to the batey that the shots could be heard from there.<sup>114</sup>

The government troops sent to protect the estate were nearly as worrisome to Smith as the rebels. “There is no dignity or

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<sup>110</sup> Gerard Smith to MR, March 17, 1917 (telegram), BBC, Ser. 10.

<sup>111</sup> MR to Gerard Smith, April 5, 1917, BBC, Ser. 3.

<sup>112</sup> MR to Higinio Fanjul, April 5, 1917, BBC, Ser. 3.

<sup>113</sup> Gerard Smith to MR, April 11, 1917, BBC, Ser. 3.

<sup>114</sup> *Ibid.*

seriousness in their campaign," Smith reported. "Their object seems to be to abuse and steal." Smith refused to allow the government troops to hold their frequent executions on the estate, insisting that they send their miserable captives to the provincial capital instead. The Second Lieutenant referred to Smith as a "*tapador de alzados*" (cover for the rebels), but was forced to withdraw his statement. Worst of all, "government men" searched and robbed the Jamaican workers in the barracones. "One poor little negro, who works in the garden of the house here, had \$160 locked in his *maleta* (bag). They cut this *maleta* open with a machete and took all the money and all of his letters from his home."<sup>115</sup>

Despite the lack of transportation or telegraphic communications east of Santa Clara, the Island was slowly returning to business as usual until the underlying contradictions of a chronically skewed society again forced an eruption of violence and destruction.

By the end of April Rionda could say that he was "commencing to feel that what occurred last winter was merely a nightmare."<sup>116</sup> And besides, Manuel added cheerfully, the Revolt had helped to

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<sup>115</sup> *Ibid.*

<sup>116</sup> MR to Gerard Smith, April 30, 1917, BBC, Ser. 2. Twelve days later he was feeling even more cheerful. "I was not one-half as anxious during the disturbed conditions in Cuba as you may think. After all, as there was no loss of life, what difference does it make whether we have a few thousand dollars more or less. . . . The rebellion has put a setback on the development of the Island and, perhaps, after all that is the best thing, because we were going rather too fast in the production of Cuba which was exceeding the supply of laborers with the consequent continued advance in wages and, furthermore, as the production of beets is increasing in this country, if Cuba had reached close to 4,000,000 tons, there would have been an enormous surplus after the war which would have had to seek foreign markets." MR to Jules Ganzoni, May 11, 1917, BBC, Ser. 4. (The author is indebted to Lou Pérez for calling this quote to his attention)

drive the price of sugar up another cent, thus "the production from the undamaged mills will make up [in returns] for part of the bags not made."<sup>117</sup> The Board voted Gerard Smith a bonus even though it was "perhaps the hardest [year] in the [company's] history, . . ."<sup>118</sup>

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<sup>117</sup> MR to Theodore Westrick, April 5, 1917, BBC, Ser. 3.

<sup>118</sup> MR to Leandro Rionda, May 14, 1917, BBC, Ser. 2.

## CHAPTER VII

### WORLD WAR AND THE DANCE OF THE MILLIONS

*"You know the Francisco, have seen its progress and know the great profits it has made . . ."*

#### The Rise of Sugar Demand and Prices during the World War: 1914-1920

Between 1903 and 1914, both production and exports of the Island's sugar more than doubled. The Cuban share of the world market increased dramatically from 2.7 percent in 1900 to 15.4 percent by 1915.<sup>1</sup> But the period 1917-1920 saw the culmination of the second and even greater wave of sugar capital to sweep over eastern Cuba. The European war not only rescued the industry from the likelihood of serious overproduction, but further stimulated its expansion. In the long-run the results were catastrophic, but during those halcyon days the atmosphere was heady. Table 7.1 gives a good indication of the growth of the industry as well as the dramatic rise and fall of sugar prices during this eight-year period.

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<sup>1</sup> Luis E. Aguilar, Cuba 1933: Prologue to Revolution. New York: The Norton Library (by arrangement with Cornell University), 1974, pp. 40-41.

Table 7.1.  
Production and Value of Cuban Sugar, 1913-1921

| Year | Production<br>(tons) | Value in \$<br>(millions) | Export<br>Value(%) | Price FOB<br>Spanish<br>Pounds<br>(cents) |
|------|----------------------|---------------------------|--------------------|---|
| 1913 | 2,442,000            | 115.8                     | 72                 | 2.05                                      |
| 1914 | 2,615,000            | 163.4                     | 77                 | 2.74                                      |
| 1915 | 2,609,000            | 202.4                     | 84                 | 3.41                                      |
| 1916 | 3,034,000            | 308.5                     | 85                 | 4.47                                      |
| 1917 | 3,063,000            | 332.2                     | 86                 | 4.74                                      |
| 1918 | 3,473,000            | 347.1                     | 85                 | 4.36                                      |
| 1919 | 4,012,000            | 472.1                     | 89                 | 5.18                                      |
| 1920 | 3,742,000            | 1,016.8                   | 92                 | 12.13                                     |
| 1921 | 3,983,200            | 292.0                     | -----              | 3.22                                      |

Source: José R. Alvarez Díaz, et al. Cuban Economic Research Project. A Study on Cuba. University of Miami Publications in Business and Economics, No. 8. Coral Gables: University of Miami Press, 1965, p. 235, and Susan Schroeder, Cuba: A Handbook of Historical Statistics. Boston, 1982, p. 143.

Note that prices of the crop of 1919-1920 reached a spectacular peak, earning more for Cuban sugar interests than the total combined returns of all crops between 1900 and 1914.<sup>2</sup>

As we saw earlier, by far the bulk of the increase in the volume of production could be found in the eastern provinces (see Table 5.2). The replacement of the forests and *porteros* by cane fields and the substitution of the old *ingenios* by enormous *centrales* had profound demographic effects. As illustrated in Table 7.2, the eastern provinces experienced an astonishing rise in the rate of population growth.

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<sup>2</sup> *Ibid.* p. 43.

Table 7.2.  
Population Growth by Province (Unequal Increments) 1899-1931

| Province      | 1899-1907 | 1907-1919 | 1919-1931 |
|---------------|-----------|-----------|-----------|
| Pinar del Río | 41.1      | 8.66      | 31.50     |
| La Habana     | 25.9      | 29.65     | 41.27     |
| Matanzas      | 18.5      | 30.98     | 7.81      |
| Las Villas    | 28.3      | 43.78     | 23.98     |
| Camagüey      | 34.0      | 93.55     | 78.27     |
| Oriente       | 38.8      | 60.61     | 46.77     |

Source: Julio LeRiverend, Historia Económica de Cuba, p. 571.

This growth was, of course, tailored to the needs of the industry. Where villages based on subsistence farming had once stood, now there stood cane fields. New towns formed around the bateys on lands once occupied by dense forest or vast *estancias*. Fishing villages along the coasts were left practically deserted while certain once remote bays and tidal backwaters selected for sugar ports filled with wharves, warehouses, and rail yards, as well as the North American engineers, mechanics, and administrators to run them.<sup>3</sup>

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<sup>3</sup> "The coasts of Oriente are in a state of abandon . . .," complained Antonio Masferrer, chief administrator of Santiago customs. Quoted in Louis A. Pérez, Jr. Lords of the Mountain: Social Banditry and Peasant Protest in Cuba, 1878-1918. Pittsburgh: University of Pittsburgh Press, 1989, p. 165. As Rionda said, he had not gone to Cuba "for fishing, but for sugar cane." MR to W.J. Ahern, July 28, 1899, BBC, Ser. 2.

Production and Profits at Francisco

In 1918 production far surpassed all previous crops. The estate produced 318,610 bags or 11,455 bags more than the previous best year despite grinding 610,962 fewer *arrobas*. The yield of over 13 percent was second only to 1914. Milling work was improved with the lowest loss in bagasse yet. These excellent results were credited to the good mechanical condition of the mill and the excellent working condition of the boilers due to a constant steam pressure. The mill's recent renovations had raised the capacity of the mill to 450,000 bags.<sup>4</sup>

There were some negative reports, however, concerning lack of labor and fires. A number of mill stops occurred due to lack of cane due to the labor shortage in various *colonias*. Nevertheless, Smith reported that "even with these unfavorable conditions we were better equipped with labor than the majority of plantations in our immediate neighborhood."<sup>5</sup> That year the Company had brought 800 to 900 workers from Haiti at a cost of \$10 each. These men were distributed among the *colonos* at the same rate to them as to the Company, or in other words, at cost.

Various bits of evidence indicate that the sugar estates of the area continued to be the target of arsonist. Twenty-seven fires were reported during the grinding season which burned 283,000 *arrobas* of cane. Of these, at least 82 percent were intentional.<sup>6</sup> Rionda

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<sup>4</sup> Manager's Journal, 1917/18, BBC, Ser. 96.

<sup>5</sup> *Ibid.*

<sup>6</sup> Manager's Journal, 1917/18, BBC, Ser. 96, p. 27.

expressed his pleasure at the continued U.S. military presence in eastern Cuba saying "I think the American Government is doing very well to have those marines visit the plantations."<sup>7</sup>

The cost of producing one bag of sugar at Francisco compared favorably to other of Rionda's mills. Only the newer and larger Manatí had a superior record (see Table 7.4 in notes below).<sup>8</sup>

### The Labor Crisis

#### Wartime Conditions

The general labor crisis that struck the sugar industry in the years 1917 through 1920 was, to a degree, the culmination of the ten-year labor shortage associated with the phenomenal growth of the industry over the second decade of the century. The shortage intensified, however, in those last three years as a result of a combination of factors, all stemming from the World War: the further acceleration of growth, the recruitment of men in the United States

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<sup>7</sup> MR to Gerard Smith, March 16, 1918, BBC, Ser. 10. U.S. troops remained in Camagüey until asked to leave in 1923, five years after the threat of German sabotage had passed, assuming it had ever existed.

<sup>8</sup> Table 7.4. Cross Comparison of the Cost of Producing One Bag of Sugar at Francisco vs. Three Other Rionda Centrales, 1914 and 1916.<sup>a</sup>

| Central          | 1914        | 1916        | Change +    |
|------------------|-------------|-------------|-------------|
| <b>Francisco</b> | <b>2.63</b> | <b>4.30</b> | <b>1.67</b> |
| Manatí           | 2.54        | 3.73        | 1.19        |
| Tuinucu          | 2.62        | 4.85        | 2.23        |
| Washington       | 3.19        | 4.51        | 1.32        |
| San Vicente      | 3.50        | 4.42        | .92         |

<sup>a</sup> Adapted from MR to Leandro Rionda, May 24, 1917, BBC, Ser. 2.



and Cuba into the military, and the industry's failure to adjust to rapidly developing inflation. So severe was the threat of a labor drought that Rionda was not only concerned about the loss of field labor, but of skilled labor and technicians from the United States as well. In May he instructed Leandro to cancel all vacations of the younger skilled workers for fear that once they returned to the heady patriotic atmosphere then prevailing in the U.S., they would enlist.<sup>9</sup>

Political instability and labor shortages in the remaining months of 1917 were symptomatic of the sharpening struggle between labor and capital. Rionda's interests were much affected as the Camagüeyño *Centrales*, Stewart and Jagueyal, were crippled by striking workers. By October the national situation had become so serious and widespread that Menocal declared martial law. Sugar workers demanded an eight hour day and a 20 percent raise. Rionda, never at a loss for words when it came to the question of labor, averred that "The greater the prosperity of any country -- under present conditions of labor--the worse for all business because the more the laborer earns the less he works."<sup>10</sup>

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<sup>9</sup> MR to Leandro Rionda, May 10, 1917, BBC, Ser. 2. Rionda was generally unmoved by patriotic sentiment. Six months into World War the Englishman, Gerard Smith, requested that he be allowed to subscribe to Liberty Bonds on behalf of the company. "You will understand I am sure that I feel a deep gratitude to the U.S. for the prompt response which they gave to my appeal for help on February 24, and, although I appreciate thoroughly the damage we suffered, I nevertheless hoped to receive your permission to make a subscription, even though it were only a small one." Rionda refused. Gerard Smith to MR, October 23, 1917, BBC, Ser. 1.

<sup>10</sup> Jane Landers, "Fanjul Family Historical Narrative Project," University Archives, University of Florida Libraries, 1986, no ref. cited.

During the previous summer Rionda and Smith, anticipating a severe labor shortage, set out to find whatever labor they could to harvest the 1918 crop. Smith informed Higinio Fanjul that he intended to bring in laborers regardless of the outcome of the impending labor legislation. Puerto Rican workers were suggested, but Rionda opposed the idea, as he suspected Puerto Rican labor of being infected with trade unionism. He claimed to have had experience with them in Louisiana. Smith, who had planned to bring "two shipments" from Puerto Rico, said that in previous years at Francisco he had employed Puerto Ricans as sugar dryers, riggers, stevedores, and guards and that "they have given us excellent results because they are both industrious and obedient."<sup>11</sup>

The impending legislation to which Smith referred concerned the overturning of a clause which the sugar beet lobby with the support of General Leonard Wood had included in the Reciprocity Treaty of 1902. This clause, which forbade the importation of cheap labor as undesirable immigration, was, according to Ramiro Guerra, the one anti-sugar law passed during that period. In 1917 the law was amended to allow the bringing-in of migrant labor. Guerra was disgusted:

Who would have imagined that Cuba's presidents and ministers of state, almost all of them men of the revolution, with their special permits to contract for and import Haitians and Jamaicans, would vindicate the captains-general O'Donnell, Roncali, Cañedo, and Concha, who, little more than fifty years before, had facilitated the traffic of slave dealers on the grounds that the cultivation of cane made the slave indispensable!<sup>12</sup>

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<sup>11</sup> Gerard Smith to MR, July 10, 1917, BBC, Ser. 1.

<sup>12</sup> Ramiro Guerra y Sánchez. Sugar and Society in the Caribbean: An Economic History of Cuban Agriculture. New Haven: Yale University Press, 1964, pp. 71-73.

Smith did not expect that the Company's labor requirements would be met by migrant *isleños*. He felt it necessary to attract Cuban labor and knew that to do so a reasonable wage would have to be offered. He believed that the wage must reflect the cost of living in the area and noted that those costs had risen significantly. He gives three examples of this increase:

1st - A pair of shoes "corriente," which formerly cost \$3.50 now costs \$7 and \$8.

2nd - Our boarding houses used to feed employees for \$12 and \$14 a month; now they charge \$26 and \$28.

3rd. - Machetes formerly cost \$12 a dozen and now are sold at \$50.

These three examples are fairly representative, and you can readily understand that it will be impossible to get workmen to labor at what we have always considered a reasonable wage as long as the existing prices prevail.<sup>13</sup>

One way to get around the high cost of local food [thus enabling the company to pay lower wages] was, Smith suggested, to encourage the *colonos* to plant food crops. These included sweet potatoes and corn. In addition, the Company itself planted white potatoes, cabbage, pumpkins, and yucca, but Smith concludes that unless the Company were to "lay out a large amount of money we cannot produce sufficient quantities to make any material difference."<sup>14</sup>

That food costs were now high strongly suggests that the subsistence economy that had once existed in the area was no more. A rural underclass growing food for itself is quick to respond to marketing opportunities. There is always a little more land which can

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<sup>13</sup> Gerard Smith to Higinio Fanjul, October 12, 1917, BBC, Ser. 1.

<sup>14</sup> *Ibid.* He also suggested that the company "import directly large quantities of rice, flour, coffee, beans, codfish, and other similar foods of the working class."

be used to produce a small surplus, and the step from sheer subsistence to market gardening is easily taken and generally rewarding. If any crops to speak of were being grown in the immediate district, surely they would have been offered cheaply to the plantation *fonda*.

As management often does when it finds itself unable to come to terms with agricultural labor, a frantic search began for mechanical means of harvesting the crop. The Company immediately began experimentation with a mechanical cane cutter. Rionda was enthused about the project: "The rarity of cane cutters being our main difficulty, it is obvious to us how important it is for us to strive and make this machine perfect."<sup>15</sup>

It appeared that by October Higinio Fanjul had the labor situation well in hand for the Rionda *centrales*. However, in December cane shortages, a result of lack of labor (which Smith blamed on misinformation from the *colonos*), were causing mill stops. "I am now attempting to get people from both Santiago and Havana. Over 100 have already arrived from Santiago and Higinio is sending 100 from Havana."<sup>16</sup>

### Postwar Conditions

As in the United States, 1919 was a year of unprecedented labor militancy in Cuba. The labor shortage had grown even worse and with sugar selling at nine cents in New York, labor was

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<sup>15</sup> MR to Leandro Rionda, May 10, 1917, (second letter of this date), BBC, Ser. 2.

<sup>16</sup> Gerard Smith to Manuel Rionda, December 12, 1917, BBC, Ser. 1.

demanding its share of the windfall profits. Skilled labor in particular was hard to come by at any price and the Company had to pay from 30 to 100 percent more for the latter than in the 1918 crop.<sup>17</sup>

Rionda's position on the Sugar Equalization Board put him in close daily contact with other captains of the sugar industry, giving him the opportunity to compare notes in regard to the labor situation. He learned, for example, that R.B. Hawley, of the Cuban-American Sugar Company, allowed "some unions amongst the workmen" at Chaparra and Delicias. No strikes occurred, however, for "Whenever there are any disturbances, the instigators are sent off the property."<sup>18</sup>

Rionda used his influence to see that a tough vagrancy law was passed by the Cuban legislature. It was his position that migrant workers should not be free to leave their employment until the cost of their transportation had been paid. He, therefore, proposed that all workers be required to carry a passbook proving that they had worked at least six days in the past week, owed nothing to their last employer, and that they had caused no trouble on the last job. Strikes were to be forbidden, but if work stoppages were threatened, a board of arbitration established by the government would be established to air their grievances. Such a board would be composed of planters, workmen, stevedores, and government officials.<sup>19</sup>

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<sup>17</sup> General Manager's Report, 1920/21, BBC, Ser. 96.

<sup>18</sup> MR to Gerard Smith, October 9, 1917, BBC, Ser. 10. It was Rionda's understanding that these unions were local to their respective plantations and had no connections with any outside groups. MR to Gerard Smith, October 29, 1919, BBC, Ser. 10.

<sup>19</sup> Jane Landers, Fanjul Family Narrative.

The Fall of 1919 saw the most serious labor problems in the history of the company. A new union had rapidly formed on the plantation, the Sindicato Metalúrgico y Ferrovario. On December 2 it called a strike of locomotive engineers, the first of three during the grinding season. Train service was maintained by scab drivers. On the 12th a general strike of engineers and firemen on harbor tugs was called with more serious results. All movement in the port was halted for 48 hours. Management attempted to load the steamers by having factory engineers and their assistants run the tugs while the bags of sugar were loaded onto lighters by the workers from the batee. In this manner they managed to load one ship, the S.S. Matanzas.

Finally a third strike was called on the 19th. Smith had noticed three men among the Francisco workers who he judged to be more intelligent than the others. Rionda was anxious to know if these three were foreigners, for if they were foreign troublemakers they should be sent away.<sup>20</sup> As it turned out the three men were foreigner labor organizers (nationality not recorded) and were deported in December at the beginning of the zafra. Their deportation set off a general strike. The three foreign organizers had been "agitating a general strike with the object of procuring (1) recognition of the union, (2) an eight-hour work day, and (3) a 25 percent increase in wages along with some smaller concessions."<sup>21</sup>

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<sup>20</sup> Ibid.

<sup>21</sup> General Manager's Report, BBC, Ser. 96., pp. 4-5.

All work on the plantation ceased for two days, but no concessions were made. Even the Governor of Camagüey, Adolfo Silva, tried to mediate, but failed. The workers returned on the third day with the promise that an eight-hour day would be considered.

### The Colonos Prosper

The labor crisis re-enforced Manuel Rionda's views respecting the *colono* system. In May of 1917 the independent *colono* Juan Piedra expressed his wish to sell out rather than negotiate for the usual dead season advance.<sup>22</sup> Gerard Smith suggested that the Company buy the Piedra *colonia*, but Rionda flatly rejected the idea.

From the moment we buy Piedra's we would have to buy Peraza's and then many others. You already know . . . how opposed I am to cultivation on a large scale [when] we get sugar cane at 5 *arrobas*. If I was opposed to that in the olden times, when labor was more plentiful, naturally, I am still more opposed now. Don't let us be tempted by enormous profits the *colonos* make now, for the lean years are bound to come.<sup>23</sup>

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<sup>22</sup> Piedra had a long tenure at Francisco dating back to the first years. His *colonia* was over 47 *caballerías*, the largest of any on the estate. He was one of the few "outside" or independent colonos, and may have owned some land beyond the original boundaries of the estate. No doubt the loss of 100 percent of his standing cane and his batey two months earlier had discouraged him from going on.

<sup>23</sup> MR to Leandro Rionda, May 15, 1917, BBC, Ser. 2. Floriencio Peraza owned the second largest *colonia* with 39 *caballerías*. In April 1919 Peraza did offer to sell. Rionda rejected the idea again, saying

We do not want to buy his property. The fact that he values all at \$650,000 is a good argument to contradict his continual statements that the *colono's* business is not good. He came to "Francisco" in 1902 penniless--and left in 1907 or 1908 with money! I found him in 1909 peddling milk and bananas, and now 10 years afterwards, he has property that values \$650,000! . . . I do not begrudge him that fortune. . . but [he] should not always be kicking against the very Company that made him. This, however, seems to be a characteristic of the soil! (Gerard Smith to MR, April 11, 1919, BBC, Ser. 10.)

Rionda then reiterated his long-held belief that small *colonias* were best, but this time he proposed that the larger, independent *colonos* sub-let their *colonias* to a number of small *colonos*. He claimed that he was even prepared to increase the sugar-for-cane ratio from five to five and a quarter if the largest *colonos* would go along with such a plan.

He wanted small *colonos* with large families, as "they would have plenty of labor, be nearby in case of fire."<sup>24</sup> Perhaps Rionda was thinking not only of exercising greater control over the small *colonos*, but was also envisioning an army of these people to assist in protecting the cane from rebels and assorted marauders. If so, it may have occurred to him that as in the last episode, some of these small *colonos* would again take up the torch and the gun. For this prospect he had a remedy: he would bring in Spaniards and Canary Islanders.

His plan also had the advantages of ridding the estate of the presence of the troublesome independent *colonos* and also that of inserting yet another layer of responsibility between himself and labor. With the independent *colonos* off in Havana or New York, the company could exert the same control over labor as previously, while at the same time pinning the responsibility of any losses which might be incurred on the independent *colonos*.

The sudden prosperity of the *colonos* at his other unmolested centrales was unsettling to Rionda. He spoke bitterly of them "flitting to and fro, from New York to Havana," and not attending to the cane

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<sup>24</sup> *Ibid.* MR to Leandro Rionda, May 15, 1917, BBC, Ser. 2.



fields.<sup>25</sup> Juan Cabrera, the Conservative Party member and Francisco *colono* who organized other *colonos* for the protection of the estate, was making statements that “gave him the idea that he is above Gerard.” Rionda observed that “Our having received Juan Cabrera so heartily in Havana” was the cause of his insubordination and further proof that “one cannot give authority to ignorant people.”<sup>26</sup>

In September 1919, having enjoyed two years of excellent sugar prices, the *colonos* held a meeting to formulate a different relationship with the company. The *colonos* proposed to organize their own company composed of themselves and local merchants. Their plan was to raise capital to purchase enough land to supply a mill with a 300,000 bag capacity. Furthermore, they planned to negotiate with “other capital interests” for the erection of a new factory of a 150,000 bag capacity and to construct the necessary rail lines to get the cane into the mill. They formed a commission to investigate surrounding properties and to draw up a subscription list. Through Smith, they asked Rionda for his advice and “cooperation, if possible.”<sup>27</sup>

Smith was pleased that the *colonos* had come to him first rather than attempt to carry out their plans without consultation with the company representative. He suggested to Rionda the old mill

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<sup>25</sup> Certainly Rionda is speaking of the larger land-owning colonos, or colonos independientes.

<sup>26</sup> *Ibid.* MR to Leandro Rionda, May 15, 1917, BBC, Ser. 2

<sup>27</sup> Gerard Smith to MR, September 27, 1919, BBC, Ser. 10. The Chair of the commission was José Sosa, whose family held the smallest colonia of only three caballerías. The Vice-Chair was Alfredo Romagosa, whose family held one of the largest colonias of 30 caballerías (see Appendix D).

San Vicente located in Matanzas province could be disassembled and moved to Francisco for sale to the *colonos* organization.

Clearly the *colonos* at Francisco felt that they were, for once, in a position to gain complete control over the means of production. They stipulated that they would own the land outright, plant the cane at their own expense, and deliver it to the mill for which they would be paid "a straight 5 1/2 *arrobas*, without deductions for bags or other expenses." Cuba Cane had been making very high profits buying sugar from the *colonos* and reselling through its Commercial Department.<sup>28</sup> The *colonos* were quite aware that, while they were at long last making money, the good times would not continue forever. The previous season trouble over the *promedio* sprung up again, as it had in 1916, the year of the "big rumpus" to use Rionda's words.<sup>29</sup> In organizing their own agricultural cooperative, never again would they be forced to bow to company demands regarding various surcharges, what market averages to use, the cost of bags, and many other matters of a similar nature.

Rionda's response to the *colonos*' proposal was clever. He put fourth a counterproposal to form a larger company than that contemplated by the *colonos*. This company would be capitalized at five million dollars and would be owned by the stockholders of the Francisco Sugar Company and the *colonos* of Francisco. All lands, both those owned by the company and those owned by independent *colonos*, would be sold to the new company. The percentage of the

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<sup>28</sup> MR to Leandro Rionda, My 10, 1917, BBC, Ser. 2.

<sup>29</sup> MR to Gerard Smith, April 30, 1918, BBC, Ser. 10.

capital stock owned by the *colonos* would never exceed 33 percent, and the *colonos* contracts would remain the same, the *colonos* continuing to receive five *arrobas* per 100 *arrobas* of cane, and they would pay for their own bags. In order to receive advances for the dead season, *colonos* would have to put up their stock in the company as collateral. Stock held by the *colonos* could not be sold to anyone but the company.<sup>30</sup>

Rionda's plan reflected each of his consistent goals. With all the lands under company ownership and the company belonging, in terms of voting stock, to Rionda, all of the *colonos* would have been, in effect, turned into *colonos* de centrales.<sup>31</sup> The only difference would be that they owned up to one-third of the company. With the company as the sole purchaser of any stocks, the value of the stock would be determined by the company. Such an arrangement would have left the *colonos* powerless. Perhaps it would have provided a psychological lift for the landless *colonos* as they would have felt a sense of illusory ownership, but clearly, the *colonos* independientes would have risked a great deal.

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<sup>30</sup> MR to Gerard Smith, October 6, 1919, BBC, Ser. 10. The crash in sugar prices apparently postponed all these plans indefinitely.

<sup>31</sup> As of June 1919 the Rionda interests controlled 10,278 out of a total of 15,000 shares. List of Stockholders Francisco Sugar Company, June 4, 1919, BBC, Ser. 10.

Price Controls in the War and Postwar Economy 1917-1920

Price controls were not unexpected. As early as May of 1917 Rionda foresaw the necessity of government regulation of prices during the war.<sup>32</sup>

In the Fall of 1917, Rionda was appointed by Menocal to the Cuban Commission charged with negotiating sugar prices with the United States Sugar Equalization Board and the International Sugar Committee. The other two members of the Commission were Carlos Manuel de Céspedes, Cuba's Minister to the United States, and Robert B. Hawley, founder of the Cuban-American Sugar Company and one of the most powerful figures in the industry. This appointment established Manuel Rionda as one of the leading men in Cuban sugar.<sup>33</sup>

The Commission oversaw the activities of the Cuban Adjustment Committee which made adjustments regarding the financing and transportation (but not the allocation) of Cuban sugars. Manolo was a member of this latter body. The Committee's work led to the U.S. government's purchase of 80 percent of the 1917 Cuban sugar crop at a price determined by the Committee.

Rionda fought for the highest price possible for Cuban sugar, and the negotiations dragged on for several months. A price of 4.6 cents per pound was set by the International Sugar Committee, but in 1917 sugars were sold by individual private contract, and no

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<sup>32</sup> MR to Walter Ogilvie, May 7, 1917, BBC, Ser. 2.

<sup>33</sup> Leland H. Jenks, Our Cuban Colony. A Study in Sugar. New York: Vanguard Press, 1928, p. 199.

contracts were being made at that price. Ultimately the United States cut off flour to Cuba, thus eliminating the average Cuban's breakfast of white bread and coffee. Contracts at 4.6 cents began to be made.<sup>34</sup> Even Rionda had to admit that the price, though forced upon the planters and brokers, was still profitable: "As the books of the various companies will have to be exhibited whenever any investigation is made, there is nothing to gain by trying to say that we don't make any money selling sugars at 4 cents F.O.B. . . ."<sup>35</sup>

The combination of the destruction of the 1917 crop and the rising sugar market resulted in a frenzy of reassignments of *colonias*. In the 1917/18 crop year 11 *colonias* were transferred to new control.<sup>36</sup> With both high prices and labor at a premium, *colonos* no longer found it worthwhile to cultivate the older ratoon fields. So many old fields were being abandoned that the Company offered a special allowance for cane from fields of eight or more cuttings.<sup>37</sup>

### The Francisco Sugar Company at the Brink

#### The Acquisition of Central Elia

In June 1919, family members who had invested in nearby Central Elia sold their interest to the Francisco Sugar Company, thus

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<sup>34</sup> *Ibid.*

<sup>35</sup> MR to Leandro Rionda, May 10, 1917, BBC, Ser. 2.

<sup>36</sup> Manager's Journal, 1917/18, BBC, Ser. 96, p. 24.

<sup>37</sup> *Ibid.*, p. 25.

incorporating another central into Francisco.<sup>38</sup> Fifteen miles inland from Francisco's batey, Elia was erected in 1915 and was one of the first all-electrified mills in Cuba. The central had direct control of 263 caballerías and leased an additional 207, and in 1918 it produced around 140,000 bags was a Cuban corporation and thus paid no U.S. income tax, but rather a straight eight percent on profits, which was billed as an advantage to the Board as it debated the decision to purchase the property. Another major advantage was that acquisition of the central gave Francisco absolute control over the rail connection with the Cuba Railroad, thus the company assured itself the option of shipping via rail to a north coast port or directly from the company wharf.<sup>39</sup>

As a part of his argument in favor of the acquisition of Elia, Rionda made clear at the Board Meeting why sugar companies were successful in eastern Cuba. Using the famous Chaparra mill as an example, he first called attention to the virgin soil and cheap lands about which we hear a great deal.

. . . the one factor that saved Chaparra and brought it up to what it is today was its wonderful command of virgin soil throughout that territory, so that when one portion gave out they created another cane area at very low prices, and that is the situation, as I understand it, in respect to this particular territory [Elia].

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<sup>38</sup> MR to Gerard Smith, May 13, 1919, BBC, Ser. 10. Members of the extended family who had invested in Elia were Rafael and Victor Zavallos, Bernardo Braga, Manolo Rionda, and Higinio Fanjul.

<sup>39</sup> MR to Gerard Smith, May 13, 1919, BBC, Ser. 10, ("Francisco Sugar Company, 1919") being a recounting of the Special Meeting of the Board of Directors, May 13, 1919, BBC, Ser. 90, Minute Book 3.

He followed with the second reason he wished to acquire the neighboring mill, which truly goes to the heart of the matter. If Elia were not under Francisco's control,

. . . it follows that the Francisco would have to pay higher wages, a higher percent for the cane, [to the *colonos*] and have to contend with competition in that district, which Francisco does not have today being Lord of all it surveys in that section--everyone knows what it means to compete for cane.<sup>40</sup>

Thus, with the second wave of investment and the construction of more mills in eastern Cuba, conditions there were threatening locally to become akin to those in the western part of the Island. That is some mills were beginning to face the prospect of competing with their neighbors for cane. So far as the sugar companies were concerned, the most pernicious aspect of this situation was the advantage taken by the independent *colono* growing cane on his own land. In the East there were few of this type of *colono*, but conceivably, if the demand for cane outstripped the centrales' ability to grow it on the lands they possessed, a new class of independent *colonos* could emerge in the interstices between the plantations and would be in a position to demand higher prices from competing centrales just as they had been doing in the West since the 1880s. The Company at this time was buying cane from both *colonos* de centrales and *colonos* independientes. If the latter demanded more for their cane, it follows that the former, though never getting the terms of the independents, would demand more for their cane, also.

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<sup>40</sup> MR to Gerard Smith, May 13, 1919, emphasis mine.

In 1915 neighboring Central Macareño had also been incorporated temporarily into the estate.<sup>41</sup> With these two centrales came a number of independent *colonos* bringing the total number of *colonos* at Francisco to 38. Of these, 32 grew on Company lands, 14 owned their lands, and six worked a combination of the two.<sup>42</sup> Excluding Macareño, the *colonos* on the estate had 526 caballerías with the independents representing 145 for a total of 671 caballerías.<sup>43</sup> The Company now controlled about 200,000 acres of cane fields, forests, pastures, and swamp lands.<sup>44</sup>

### Enlightenment in a Prosperous Time

With sugar selling at record prices, and company profits never before so great, Rionda felt comfortable offering labor some of what it was demanding. Writing to Smith one year after the Armistice he said,

I hope you will arrive at some solution to the problem that confronts us, satisfactory to both sides--all I am aiming at is that we should not claim to be 'stand patters' but that we recognize that something must be done to decrease the number of hours and improve the condition of our laborers.<sup>45</sup>

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<sup>41</sup> Macareño was sold in 1918. MR to Gerard Smith, October 21, 1918, BBC, Ser. 10.

<sup>42</sup> The *colonos'* cane equaled 87 percent of the total. Over the decade there had been only a slight increase from about ten to thirteen percent in the company's portion of the total cane plantings.

<sup>43</sup> Manager's Journal, 1917/18, BBC. Ser. 96. With Macareño's lands the total came to 791 caballerías. Macareño was sold within a few years, possibly because of its 50 percent dependency on independent *colonos*. For a history of cane plantings at Francisco, 1901-1917, see Appendix D.

<sup>44</sup> MR to Gerard Smith, May 13, 1919, BBC, Ser. 10.

<sup>45</sup> MR to Gerard Smith, November 11, 1919, BBC, Ser. 10.



Every one of Rionda's plantations was confronted with the same conditions, and whatever changes he adopted at Francisco, he wanted adopted at all the other mills as well.

Rionda felt that the worker who worked the twelve-hour day became inefficient. He preferred a ten-hour schedule. Leandro toured the sugar-beet factories in the west and found the employees working eight-hour, round-the-clock shifts. This schedule was easily arranged as 24 is divisible by three. But what of ten? Rionda could not find a system that would work with ten, but nevertheless, he stated that

There is no use trying to continue in the old way of making the men work 12 hours--I am thoroughly satisfied it cannot be done and the sooner the employers are convinced of this and they make the change, the better it will be.<sup>46</sup>

Not only was Rionda open to shorter hours, he also spoke of other improvements for the workers, if in a somewhat negative tone. In regard to improving the barracks he agreed with Smith: ". . . as you say, the men having nothing to do and no other topic to discuss they naturally talk about their imaginary grievances and create discontent." Rionda's aim was to make the improvements, and thus silence the men.

### Speculation and Collapse: 1920-1921

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<sup>46</sup> MR to Gerard Smith, October 27, 1919, BBC, Ser. 10. "The objections to reducing the number of hours is the claim that we would have a scarcity of labour, but is that a fact? Has Cuba been canvassed enough to say that there is a scarcity of that class of labour?" The labor to which he was referring was the labor used in the factory and on the railroad, not agricultural field labor.

Addressing the Board in May of 1919, Rionda proclaimed the success of his 20 year long endeavor to build the Francisco sugar estate: "You know the Francisco, have seen its progress and know the great profits it has made: notwithstanding the Revolution in 1917 it recovered and has made more money than any sugar company in Cuba--I might say in the world."<sup>47</sup> All that was about to end.

The Sugar Equalization Board's contract price of 5.5 cents F.O.B. resulted in a basic price for refined sugar of about 9 cents per pound throughout the 1918 and 1919 season. When controls were abolished, the price edged up to ten cents on March 2, 1920, increased to 13 cents on April 1st, 18 cents on the fifteenth, and peaked out at an astronomical 22 and one-half cents on May 19th. The 'Dance of the Millions' sent the improvident, which included a respectable portion of the Cuban banking and sugar industries, into a frenzy of conspicuous consumption. Very little of the vast sums of money which flowed into Cuba during 1920 was spent on substantive improvements on the island's infrastructure, nor on the creation of permanent financial structures by which Cuba might free herself from dependence on loans from the international banking community. By late September the price had retreated to 8 cents and in December it was back to pre-war levels at 3.75 cents.<sup>48</sup> The drastic instability of the market had nothing to do with sugar supplies. There was plenty of sugar--too much sugar, in fact. This event was purely the result of speculative buying and selling fueled

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<sup>47</sup> MR to Gerard Smith, May 13, 1919.

<sup>48</sup> Pérez, Cuba: Between Reform and Revolution, pp. 224-25.

by mindless, maniacal greed that has repeatedly produced panics and market crashes throughout modern history. As Thomas puts it, "1920 was the grand climacteric in the history of Cuban sugar, and a landmark in the history of capitalism."<sup>49</sup>

The roller coaster market wreaked havoc in the Cuban industry. Fifty mills, one fourth of the 198 centrales changed hands between 1919 and 1920. By October of 1920 conditions had become so serious as to precipitate a run on the major Havana banks including the Banco Mercantil Americano, which called in loans with only a few hours notice, Banco Nacional, the Banco Español, and the Banco Internacional. The government proclaimed a moratorium on bank withdrawals which was to end in December but had to be extended through February of 1921.<sup>50</sup>

In March of 1918 Rionda received news of the death of W.J. McCahan at age 86. Ever ready to serve up for the historian another resounding, dramatic declaration, he eulogized,

Those who foresaw the bright future of the Island of Cuba in the early days after the War, have Mr. McCahan to thank for the incorporation of the Francisco Sugar Company and for the erection of the mill that arose out of the wilderness of the Guayabal lands in 1901.<sup>51</sup>

In 1920 Czarnikow-Rionda purchased W.J. McCahan Sugar Refining and Molasses Company.

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<sup>49</sup> Thomas, Cuba: The Pursuit of Freedom, p. 543.

<sup>50</sup> Pérez, Cuba: Between Reform and Revolution, p. 225, and Thomas, Cuba, The Pursuit of Freedom, p. 544.

<sup>51</sup> Undated notice, c. March 10, 1918, BBC, Ser. 10.

## CHAPTER VIII CONCLUSIONS

### Freedom, Labor, and Class

#### Freedom and Dignity

Hugh Thomas, author of Cuba, the best known history of Cuba in English, subtitled his work "The Pursuit of Freedom," and concluded his 1696 page book with the quote from Goethe about "undisciplined spirits" striving in vain "to achieve pure freedom."<sup>1</sup> Thus it seems that even a tenacious student of Cuba's history and modern life such as Thomas, must ultimately fail to escape Teutonic condescension towards another frivolous island race. Like Irene Wright in 1910, Thomas too, turned his back on Cuba in 1971.

The problem, it seems, is that 'freedom', for Cubans, has had many interpretations, and just what that word has meant to a Cuban man or woman has much to do with whether the child had enough to eat, a comfortable place to sleep, treatment when ill, and a teacher to unfurl the world. For everywhere that men and the women are formed without benefit of basic needs, 'freedom' is having those needs met--if not for them, then for their children.

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<sup>1</sup> "Perhaps even Cubans for all their gifts, cannot escape Goethe's dictum: 'In vain will undisciplined spirits strive to achieve pure freedom. For the Master first reveals himself in limitation and only Law can give us liberty.'" Thomas, Cuba, p. 1494.

Cuba has pursued many freedoms, as a nation and as a people. As a nation political freedom, or sovereignty, was long elusive--even after the raising of the single white star. Cuba has also pursued, as a nation, economic freedom, which proved more elusive still. But we cannot speak of the pursuits of Cubans as a people, for there have been as many pursuits as there have been classes.

Cuba's birth as a nation was a long and exhausting labor. As with most island peoples, theirs was a sharply distinctive culture, but nationhood was another matter. Yet, without becoming Hegelian, we can say that by the late nineteenth century the masses of the Cuban people did share a common, and peculiarly Cuban idea of egalitarian freedom and dignity, much different from say the Hispanic peoples of the highlands of the great continents of the New World. Largely disdaining the Church, the popular classes of Cuba exhibited a freedom of their own making, exercising, when possible, a degree of independence even in the economic theater. We recall the quote from Charles H. A. Forbes-Lindsay, "The Cubans are the most democratic of people. The ragged peasant maintains a dignified attitude toward all men . . . ."<sup>2</sup>

This democratic spirit in Cuba is associated in part with the dissolution of the old planter class during the sugar revolution of the 1880s. Though nineteenth-century Cuban society could never be characterized as one vast latifundia as was Bahia, Brazil, the Central Valley of Chile, or the *altiplano* of Ecuador or Peru, there was, nevertheless, a sugar, tobacco, and cattle oligarchy which included a

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<sup>2</sup> Forbes-Lindsay, Cuba and Her People Today, pp. 96-97. See Chapter I.

number of titled families. With the crumbling of this old Creole stratum Cuba, alone among Latin American states, would fight her war for political independence having already accomplished her first social revolution.<sup>3</sup>

This study describes the making of a sugar estate. The capital used to make it had its source in the laboring classes of the burgeoning heavy industrial complex of the northern United States. With this capital, in which was conflated the whole will and being of certain powerful men, there came a program--a plan for the Cuban people, and for the Cuban nation. There was an almost irresistible force behind this plan and this force overwhelmed and flooded the Island like a tidal wave. After the flood almost nothing was as it had been before.

But there was resistance. The bitter frustration of the people with the direction in which their nation drifted was seen in the years 1906, 1912 and 1917. In 1906 it was entangled in a meaningless imbroglio between parties and personalities; in 1912 it was characterized as a purely racial uprising, and in 1917 it was soon dismissed as an ephemeral rebellion against another petty Latin American general. But each of these episodes gave expression to a social discontent which echoed an old theme first evident in the Ten Years War and then the War of Cuban Independence, where it was frustrated but not quashed by U.S. intervention. This theme was later

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<sup>3</sup> Thomas, Cuba, p.278. Thomas goes on to say that the disappearance of the old planter class was a mixed blessing in that the old families "set an unmistakable national social tone, Criollo or Cuban, rather than North American."

to re-emerge in the Revolution of 1933--and then in all fullness in 1959.

### The Escape to the East

It was 1899; the Island lay in ruins and hunger and disease were rampant, but the Cuban people as a whole were ready to wipe the slate clean and start a new century that they hoped would leave the legacies of poverty and slavery far behind. The Cuban spirit of independence and respect for Everyman, rejuvenated by the events of 1895-98, threatened to generate a social climate characterized by inherent encumbrances sugar capital instinctively abhorred. The choices were to crush this spirit, if the costs were not prohibitive, or to escape it. Ultimately the first option followed the second, but our story here concerns the escape--the escape to the east.<sup>4</sup> It is high irony indeed that, as eastern Cuba's forests and mountains had offered refuge for generations of fugitives--slaves and downtrodden *guajiros*--now, its remote jungle valleys and coastal plains were to offer a kind of refuge for sugar capitalists, for there, in splendid isolation, they could easily change the rules.<sup>5</sup>

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<sup>4</sup> Between 1887 and 1899 a significant shift occurred in the distribution of population in Cuba on the order of 10-15% from West to East these people were escaping the oppressive social relations of the West and the poor economic conditions there. A disproportionate number were Afro-Cubans. See Pérez, Lords of the Mountain, p.76.

<sup>5</sup> The second half of the nineteenth century and the first third of the twentieth was a time in the Atlantic world during which the concept of free labor was under redefinition. The Dred Scott Decision in effect legalized slavery throughout United States alerting the Northern working class to the threat to free labor as they knew it, i.e. a man is free to work at what he wants, when he wants, and how he wants. Northern laborers were willing to face the Confederate guns at Shiloh, Antetum and Cold Harbor in defense of the older, freer ideal. But Republicans, beginning with Grant and concluding with Taft in 1919 (The infamous Red Summer), crushed the old concept of free labor, introducing in its place a new one more appropriate to the emerging world of monopoly capitalism. Thereafter, a man

### The Role of the Cuban Bourgeoisie

What role, then, did the Cuban bourgeoisie play in the making or unmaking of Cuba, the nation? For an answer to this question we must look back to the concluding decades of the colonial era.

Cuba's bourgeois class was constituted by sugar planters and their creditors, the commission merchants. They were, of course, interdependent, but the merchants generally held the upper hand. Their power was owing to the absence of a viable banking system due, in turn, to the inability of the metropolitan economy or political system to provide the capital, credit or liberal commercial codes that would permit the emergence of a viable banking system. Thus, the credit system was in the hands of merchant commission agents, very many of whom were *Peninsulares* having only short-term goals and a myopic focus as opposed to a genuine interest in planning the future of the Cuban economy. In other words, Cuba failed to develop a national, or *nationalist* bourgeoisie. The privileged classes provided little leadership and their failure to identify with Cuban nationhood significantly delayed maturation of a national identity.<sup>6</sup> The presence

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was free to work at what he was told to work at, how he was told to work at it, and when he was told to work at it or to go without. Since World War II the general prosperity of the U.S. economy, based largely on the exploitation of labor and natural resources abroad, along with the extension of the social welfare system to the most alienated and impoverished class has permitted a tenuous stability. For discussion of the concept of free labor in the United States, see Eric Foner, Nothing But Freedom: Emancipation and its Legacy. Baton Rouge: Louisiana State University, 1983.

<sup>6</sup> Most members of these classes were politically either autonomists or annexationists. See Louis A. Pérez, Jr. Cuba: Between Reform and Revolution. New York: Oxford University Press, 1988, pp.152-55.



of but a vacuous elite provided the ideal climate for the implantation and growth of foreign capital.<sup>7</sup>

That portion of the Cuban bourgeoisie represented by the old Creole planter class was virtually eradicated by the changing economic conditions following abolition and particularly the changes affecting the world sugar market in the 1880s.<sup>8</sup> The sugar merchants, who along with the tobacco interests and others were the only remaining representatives of the bourgeoisie, scrambled to carve out a comprador niche for themselves in the new sugar industry, which was rapidly coming under the domination of foreign capital. Thus was maintained and perhaps even exacerbated Cuba's dearth of nationalist leadership. In effect, then, Cuba's export monoculture delayed and then warped the development of Cuba as a nation state by subverting the interests of the bourgeoisie class, the only class at that particular conjuncture which could have effectually provided for the welfare of the society and the nation as a whole. The ghosts of Maceo and Martí were enraged.

### Why Sugar Went East

It is generally accepted among students of Cuban history that the post-war revolution in sugar production in eastern Cuba was

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<sup>7</sup> These ideas are largely drawn from the work of Susan J. Fernández, Banking, Credit, and Colonial Finance in Cuba, 1878-1895. Ann Arbor, Michigan: U.M.I. Dissertation Services, 1987. A student of Louis Pérez, she was, of course, much influenced by his thinking as was the writer also.

<sup>8</sup> The eastern planters were nearly wiped out in the 1870s by the Ten Years War.

owing to two basic factors. These were virgin soils and cheap land.<sup>9</sup> While these factors were the primary attractions of the East, we propose that Rionda and men like him quickly came to realize that a third factor was equally important, and ultimately more so. As sugar capital moved east, management discovered an opportunity to escape the disadvantageous relations of production in the western provinces, specifically the increasingly uncomfortable economic relationship with the colonos *independientes*. The understated agenda in the east came to be the new beginning--the *tabula rasa*. This was their chance to experiment with various labor systems, perhaps to retain those aspects of the system used in the western provinces which they believed continued to be to their advantage and to discard the rest.

As early as 1906 the Guantánamo Sugar Company was finding that the best system was to exclude the Cubans altogether, a conclusion that virtually the entire eastern industry would reach in the coming decade.<sup>10</sup> The years 1906, 1912, and 1917 served as

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<sup>9</sup> Most writers mention one or two of these factors in passing, as does Thomas, p. 537, while others offer no specific reasons for the sugar revolution in eastern Cuba. See Louis Pérez, Ramiro Guerra, Fernando Ortiz, and Leland Jenks. Julio LeRiverend specifically states that the attraction to the eastern lands was that they were “‘jóvenes’ y baratas” (young [ or new lands] and cheap) Julio LeRiverend, Historia Económica de Cuba. La Habana: Editorial Pueblo y Educación, 1974, pp. 575-80. Rionda himself stated that “Western Cuba [was] old and worn out,” the “lands are not as good as Eastern lands.” MR to Czarnikow-Rionda, March 15, 1911, BBC, Ser. 5. We believe his remark about Western Cuba may have been in reference to more than just the land.

Virgin soil was always an important goal for the intrinsically profligate Cuban sugar industry. In the earlier easterly movements of sugar, Bergad lists the three chief requirements: forests, virgin land, and navigable rivers. Bergad, Cuban Rural Society in the Nineteenth Century, p. 22.

<sup>10</sup> Pérez, Lords of the Mountain, p. 138. As early as 1906 the Guantánamo Sugar Company associated with the B.H. Howell, interests recruited 500 cutters from Puerto Rico. The crop

valuable lessons to the sugar capitalists, particularly the latter two, for the message was becoming increasingly clear: Cubans would not work unless they were paid a living wage.

But the Cuban could not be eliminated altogether: *colonos* were found to be a necessary part of the business of growing sugar.<sup>11</sup> It was hoped that by imposing a kind of vassalage upon these *colonos de centrales*, that is by retaining ownership of the land and everything on it, and by forcing the *colonos* to accept the company price for their sugar, that they could be held in check--or more, that they could be made to identify with the company as would loyal employees and to take the side of the company against outsiders, and that the central would constitute a contented community with one purpose: to grow sugar for profit--a little profit for the *colonos* and a great profit for the company.

Nor could they eliminate entirely the Cubans and their descendants who had once occupied the land before the arrival of sugar.<sup>12</sup> Here, Rionda found, was the great disadvantage of the east. "I cannot understand why we have so many fires in the plantations east of Santa Clara and so few in the western section of Cuba," he wondered.<sup>13</sup> In the early days when Francisco employed Cuban

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of 1911/12 saw the first significant influx of Haitian and Jamaican workers into eastern Cuba totaling 2000. By 1917 Francisco was employing Haitians in large numbers.

<sup>11</sup> Cuban workers were also employed in the mill at all levels, although the high-paid mechanics, chemists, and sugar technicians were often North Americans.

<sup>12</sup> Had they only been Native Americans, they could have been exterminated as had the Arawaks.

<sup>13</sup> MR to Leandro Rionda, February 9, 1910, BBC, Ser. 3.

workers there were a few fires, strikes and protests. As the number of Cuban employees declined, there were fires and more fires.

By 1915 and the World War the eastern end of the Island, so far as the Cuban people were concerned, had been turned into little more than a platform supporting foreign capital who employed foreign labor. Only the *colonos* were Cuban, and many of these were recent immigrants from Spain or the Canary Islands.

### The Proletarianization of Rural Cuba

#### The Tabula Rasa

Manuel Rionda's expectations were clear. He sought high yielding virgin soils at a low price (and as the Francisco lands were left to the family by his brother, the price was right.)<sup>14</sup> Furthermore, he planned to erect a state-of-the-art mill. A new mill could take full advantage of the latest technology in sugar making from the initial layout on up, thus enjoying an advantage over older mills in the western districts in which new machinery would have to be worked in piecemeal when and where possible. Finally, he had a vital interests in reordering the relations of production.

If production costs associated with the agricultural labor were to be reduced, the choice was to negotiate with the *colonos* or directly with labor. The latter was to be avoided, for the company lacked the leverage over labor that it had over the *colonos* who had

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<sup>14</sup> Had Pancho not made his speculative purchase seven years earlier, Manuel would not have become involved in eastern Cuba so soon. Inevitably he would have, however, for 13 years later he bought and built the even larger Manatí.

contracts to keep and a certain investment in time, energy, and in the case of the independents, money in their colonias. Besides, labor was labor; the cutters worked at piece rates from dawn till dusk and had no benefits, thus the most someone in Rionda's position could hope for at that time in regard to labor was that he could find workers who would work for even less per 100 *arrobas*. The *colono* system, on the other hand, was more complex, more elastic, and seemed to offer opportunities for modifications advantageous to management.<sup>15</sup>

A reorganization of the relations of production might result in profits in the growing and manufacturing of sugar such as had not been seen since beet sugar brought razor-sharp competition to the world sugar market in the early 1880s. The technological revolution in sugar making had merely permitted the survival of the cane sugar industry in Cuba. Now it was necessary to go further; that is to first alter the relationship with the *colonos* in favor of the company, thus increasing profits, and compensating for the costs of technological improvement, and later to transform the labor market with the use of other-island, contract labor where certain of the advantageous conditions of slavery were replicated, but without the disadvantage suffered by slaveholders of having to maintain the workers during the dead season.<sup>16</sup>

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<sup>15</sup> Twelve to fifteen years later the labor system was radically changed with the importation of migrant labor. Labor-saving machinery also became available in that period, though mechanical harvesters were not adopted for another 40 to 50 years.

<sup>16</sup> The employers' share of the costs of the reproduction of labor are virtually eliminated when a migrant, contract labor system is employed. In addition, removing laborers from their own cultural environment disorients them and renders them more dependent upon

We do not suggest that these changes were the result of some long-brewing conspiracy among sugar men, nor that Rionda, nor any other sugar man, conceived the entire plan in advance. We have found nothing in the record to substantiate such a view. On the other hand, it would be absurd to believe that capital was not constantly seeking means to alter a less than satisfactory situation respecting labor and the *colonos*, or, in fact, to do otherwise than attempt at all times to force its hand with the *colonos* and labor. Capital had been engaged in that contest since abolition, for the battle between labor and capital is, of course, inherent to the free labor market. Whenever there was found a chink in the armor, an opportunity to take advantage or use some new form of leverage, neither side could afford to hesitate to do so. The change of venue to eastern Cuba generated a plethora of such opportunities.<sup>17</sup>

A hallmark of North American sugar capital's period of dominion on the Island was the completion of the process of proletarianization of sugar labor. In fact, a great part of the rural population became a landless rural proletariat, particularly in eastern Cuba. This process was conjunctive with the sugar revolution of the mid to late 1880s, all of which was in association with abolition and beet sugar competition. After the war in eastern Cuba

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management, and therefore more malleable. See "On the Frontier of Capital's Advance" below.

<sup>17</sup> This great eastward movement of the production zone of an agricultural commodity was dissimilar to the westward movement of the cotton planters of the US South, for their relations of production were well established and to their liking, and much to the chagrin of Northern abolitionists, they carried these relations with them as they moved. That movement was more comparable to the earlier movements of Cuban sugar to the east from Havana to western Matanzas and later on to eastern Matanzas. See Bergad, Cuban Rural Society, *passim*.

this process can be seen in its most naked form. Two main thrusts characterized the transformation of rural conditions in the East. One was the rapacious drive to acquire land and the other was the drive to both restructure the colono system and recondition the labor force for the task the sugar companies were preparing to put before it. What, then, was capital escaping in western Cuba that mitigated against the initial restructuring of the relations of production there and drove the sugar companies east?

### The Colono System and the Relations of Production in Western Cuba

From the relatively rapid formation of the colono system surrounding the period of *de facto* abolition (late 1870s - mid 1880s) through the end of the century, the *colonos* of the old sugar districts of the western provinces, which zones were concentrated in Havana and Matanzas but were beginning to spread east into Santa Clara, enjoyed the advantages of competition between the closely grouped centrales.<sup>18</sup>

From the moment a central was able to invade another's traditional supply area, rivalry between the two was inevitable. At first there was an increase in the amount of sugar offered the colono in exchange for grinding his cane and, until a few years ago, it was still possible to identify these competing zones by the higher number of *arrobas* of sugar that the farmer received from the central for his cane. In Havana, Matanzas, and Santa Clara, where

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<sup>18</sup> Ramiro Guerra states that, "The last decades of the century passed without any appreciable change in the situation because capital resources of each continued to be fairly evenly matched. But independence created new conditions for industry and, through the Cuban government's lack of foresight, permitted foreign capital to weigh overwhelmingly on the side of the factory." Sugar and Society in the Caribbean, p. 67. Rebecca Scott claims that the process of reducing the colonos to dependency began earlier than Guerra realized. "Contracts between colonos and mills from the 1890s show the efforts of estates to extend control over the colono and guarantee that he would sell only to a single mill. Slave Emancipation in Cuba, p. 211. Scott does not say how successful these efforts were.

there were many centrales and a public railroad promoting their rivalry, the colono was free to sell his cane to the highest bidder and was given more than seven *arrobas* of sugar for every hundred of cane. In Camagüey, Oriente, and parts of Pinar del Río, where there were no railroads, only four--or at the most, five and a half--were offered."<sup>19</sup>

But as Ramiro Guerra explains, "competition created a new problem for centrales: how to guarantee that each would have enough cane for each *zafra* at the lowest possible cost."

Two obvious solutions presented themselves. One, was the total economic domination of the colono, that is, "to reduce a class of free farmers into feudal vassals of the central "reducing his independence and making him a vassal of the mill," or two, to buy up the land for direct administration, either as administrative cane or via dependent *colonos* (*colonos de centrales*).<sup>20</sup>

The degree to which these different field systems prevail on any given estate seems to depend chiefly on original conditions of land tenure and the availability of cane. In the older provinces of the island there were a great many holdings, and with the reorganization of the sugar industry after the Ten Years War the owners of many of these planted cane to secure a cash crop. Many centrales are the result of a concentration about a single producing unit of a number of old plantations. Many plantation owners thus became *colonos* to large centrales.<sup>21</sup>

Thus, in terms of both land tenure and concomitant social relations, the colono system in the west was influenced by the continued expression of traditional values associated with the small ingenios of

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<sup>19</sup> *Ibid.*, (Guerra) pp.66-67.

<sup>20</sup> *Ibid.*, p. 67.

<sup>21</sup> The Commission on Cuban Affairs concluded that the geographical distribution of the colonos independientes was the result of long established patterns of land tenure. See below. Commission on Cuban Affairs. Problems of the New Cuba. New York: Foreign Policy Association, Inc., 1935, pp. 269-70.



the nineteenth century with an overlay of the new system of centrales and expanding latifundia.<sup>22</sup>

It is recalled that whereas the colono system was widely variable, *colonos* could, nevertheless, be divided into the two distinct categories of *colonos independientes* and *colonos de central*. Using data from 1913, the economist Alan Dye makes the following generalizations regarding the relationship between the two types of *colonos* and the centrales across the entire island: The *colonos de centrales* were preferred by the central management to the *colonos independientes*. Almost none of the mills surveyed obtained all of their cane from *colonos independientes*, but a large number of mills obtained all of their cane from *colonos de centrales*. The colono system in general was preferred over the administrative system and there was no clear tendency toward the administrative system (Guerra had thought that there was a tendency in that direction and that it would have accelerated but for capital constraints). Dye observed that the largest centrales received very little cane from the *colonos independientes* (well below 40 percent), with the majority of the cane coming from the *colonos de centrales* in the larger mills.<sup>23</sup>

Taking his cue from Guerra, Dye also studied another factor which Guerra cited as having an effect on the relations of production in the western provinces: public railroads. In 1915 there were 2045

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<sup>22</sup> Bergad found that in Matanzas in about 1890, among land-owning colonos, 60 percent owned less than five caballerías, thus controlling only 8.9 percent of the land held by colonos, while 7.9 percent of the colonos owned over 40 caballerías which accounted for 52.7 percent of all colono land. Cuban Rural Society, p. 278. Thus the colono system in rural Matanzas at the conclusion of the century was, even within the group of independent colonos, highly stratified, skewed, and hierarchical.

<sup>23</sup> Dye. Tropical Technology, p. 126.

kilometers of public railways in the west as against 1350 kilometers in the east.<sup>24</sup>

This equates to .06 kilometers per square kilometer in the west as opposed to .02 kilometers per square kilometer in the east.<sup>25</sup>

"The combination of higher concentrations of *colonos independientes* and more extensive public railway systems tended to increase the degree of competition that the mills faced in the west. The higher density of sugar mills in a given area of land further heightened the degree of competition for *colonos* cane at each mill under consideration."<sup>26</sup>

The density of public railroads affected land tenure and the economic structure of the region in two ways: First, greater economic independence was afforded a colono on a public line and second, the high degree of regulation of public railroads in association with the law which required any private railroad which crossed a public one to become a public railroad, sharply delimited the number and extent of private roads. Without extensive private railroad systems, the giant centrales could not operate.<sup>27</sup>

The result was a superior liquidation rate for *colonos* in the west, many of whom were *colonos independientes*. Of the 17 mills surveyed, thirteen were located in the west and four in the east. The average liquidation rate in the east was five *arrobas* of sugar for every 100 *arrobas* of cane. In the west the average rate was 6.9

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<sup>24</sup> The dividing line was drawn though the middle of Santa Clara.

<sup>25</sup> Dye, Tropical Technology, Table. 4.4, p. 142. Dye's source for lengths of railroads was Oscar Zanetti Lecuaona and Alejandro García Alvarez, Caminos para el Azúcar. La Habana: Editorial de Ciencias Sociales, 1987, p. 406.

<sup>26</sup> *Ibid.*, p. 139.

<sup>27</sup> *Ibid.*, pp. 146-148. This law did not apply to private railroads that connected into public railroads.

*arrobas* of sugar per 100 *arrobas* of cane. Manolo Rionda claimed some estates in Matanzas had good machinery "but with cane at 7 *arrobas* [it] does not permit them to get their heads above water."<sup>28</sup>

Dye also looked at the average sucrose content of cane in the two regions and found it not significantly different.<sup>29</sup> The superior liquidation rates indicate that *colonos* in the west could negotiate on a bilateral basis (similar to bilateral monopsony) and thus achieve better terms in their *colonato* contracts.

Dye provides further evidence for the claim that liquidation rates differed in eastern and western Cuba by citing the records of Rionda's various mills scattered down the Island. Central Washington, for example, located in western Santa Clara, paid *colonos* at a rate of 6.5 *arrobas* per 100 *arrobas* of cane while the average liquidation rate for the four eastern mills of Francisco, Manatí, Jobabo, and Elia equaled only five *arrobas* per 100 *arrobas* of cane delivered. This discrepancy continued to at least 1930.<sup>30</sup>

Dye makes a sharp distinction between the system of *colonos de centrales* and the administrative system in order to disprove Guerra's claim in regard to the increasing prevalence of administrative mills (which was at the heart of Guerra's argument

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<sup>28</sup> Manuel E. Rionda to MR, February 18, 1905, BBC, Ser. 12.

<sup>29</sup> *Ibid.*, See Table 4.5, p. 143, "Summary statistics for the average liquidation rates of the colono accounts of 17 mills under consideration for purchase by the Cuba Cane Corporation in 1919." (sources: BBC, Ser. 127, and Republica de Cuba, Secretaría de Agricultura, Comercio, y Trabajo, Industria Azucarera. Memoria de la Zafra, 1916/17-1929. "Other scattered data for liquidation rates of the early twentieth century agree closely with these averages for both regions . . . .")

<sup>30</sup> *Ibid.*, pp. 144-45. Throughout the period of this study, Francisco paid exactly five *arrobas*. According to Dye, Francisco was paying 5.2 *arrobas* by 1925 and 5.4 by 1929.

against latifundia). In his discussion of vertical integration, however, he shows that when analyzed in economic, as opposed to superficial descriptive terms, the management did create, through its specific choices and manipulation of the colono system, an economic institution that functions as a vertically integrated system through complete internal organization. By gradually replacing the *colonos independientes* with *colonos de central*, the centrales were able to retain effective control over their site specific assets (the canefields) “thus obviating the need to take control of the entire cane operation.”

<sup>31</sup> Ultimately, it seems, there is little difference between the administrative system and the use of *colonos de centrales*, for a colono was, as Gerard Smith said, “ nothing but an employee after all.”

Table 8.1 illustrates that during the period of this study the preponderance of *colonos independientes* were to be found in the west while in the east the *colonos de central* were dominant. It also reveals that by 1930 the *colonos independientes* were everywhere on the retreat.

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<sup>31</sup> *Ibid.*, pp. 204-05. Thus this response reflects Williamson's model “because the predicted response. . . is the unified ownership (or at least control) of site-specific assets.” See Oliver E. Williamson, The Economic Institutions of Capitalism. New York: The Free Press, Macmillan Inc., 1985.

Table 8.1.

Shares of cane supply supplied by the administration of the central, *colonos* del central, and *colonos independientes* for selected years, by province. (expressed in percentages)<sup>a</sup>

|               | Year | Administration<br>Cane | <i>Colonos</i> de<br>Central | <i>Colonos</i><br><i>Independientes</i> |
|---------------|------|------------------------|------------------------------|---|
| All Cuba      | 1905 | 30.3                   | 33.1                         | 36.5                                    |
|               | 1913 | 13.4                   | 56.9                         | 29.7                                    |
|               | 1930 | 18.3                   | 65.9                         | 15.7                                    |
| Pinar del Río | 1905 | 27.8                   | 30.5                         | 41.7                                    |
|               | 1913 | 18.7                   | 44.3                         | 37.0                                    |
|               | 1930 | 24.6                   | 46.8                         | 28.6                                    |
| Habana        | 1905 | 22.6                   | 38.0                         | 39.4                                    |
|               | 1913 | 8.8                    | 50.3                         | 40.9                                    |
|               | 1930 | 12.6                   | 74.5                         | 12.9                                    |
| Matanzas      | 1905 | 27.4                   | 35.2                         | 37.3                                    |
|               | 1913 | 8.1                    | 46.8                         | 45.1                                    |
|               | 1930 | 4.5                    | 58.9                         | 36.5                                    |
| Santa Clara   | 1905 | 24.6                   | 26.4                         | 49.0                                    |
|               | 1913 | 16.1                   | 50.6                         | 33.3                                    |
|               | 1930 | 11.5                   | 70.5                         | 18.0                                    |
| Camagüey      | 1905 | 55.5                   | 43.5                         | 1.1                                     |
|               | 1913 | 10.6                   | 79.2                         | 10.2                                    |
|               | 1930 | 14.5                   | 77.1                         | 8.4                                     |
| Oriente       | 1905 | 41.9                   | 40.4                         | 17.6                                    |
|               | 1913 | 17.6                   | 72.1                         | 10.3                                    |
|               | 1930 | 32.7                   | 55.0                         | 12.3                                    |

<sup>a</sup> Secretaría de Hacienda, Industria Azucarera y sus Derivados, 1904/05; and Secretaría de Agricultura, Comercio y Trabajo, Portfolio Azucarero, Industria Azucarera de Cuba, 1912-1914, and Industria Azucarera, Memoria de la Zafra, 1930. Cited in Dye, p. 125.

Note that in Camagüey the percentage of *colonos independientes* began at only 1.1 percent, rising to a high of 10.2 percent in 1913.<sup>32</sup> Also note the very high percentage of administration cane in Camagüey in 1905 (55 percent) and the steep fall to only 10.6 percent in 1913. This pattern closely parallels that of Francisco.

The old western sugar districts in Havana, and Matanzas provinces were ensnared in a complex web of traditional social relations. Holdings were small, but not unviably so as they were in Oriente, and ownership was better established than in the east. Given the greater independence of many of the *colonos* and the inhibiting presence of many public railroads, latifundia had many obstacles to overcome. It is no wonder that nearly all of the Rionda investments were east of Santa Clara.

### The Delicate Balance

After the first five years or so of operation the financial stability of the Francisco Sugar Company steadily improved. By the time the Rionda family took control the Company had a substantial surplus which only increased with the advent of higher sugar prices during the war years. Most of that surplus was reinvested in the form of capital improvements, but it fell to the Directors to decide

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<sup>32</sup> "Cheap cane has been the secret of our success in Tuinucu and we ought to always be independent of outside colonos." Manuel E. Rionda to MR, February 18, 1905, BBC, Ser. 12. In 1917 Rionda was still having problems with the larger, independent colonos. He had allowed a number of them to take colonias at Manatí and his manager there complained that these larger colonos were their "main and original trouble." Ulzurún to Truffin, January 19, 1917, BBC, Ser. 10, Manatí Sugar Company. The author wishes to thank Mark Smith for calling this quote to my attention.

how to distribute that portion of the surplus profits not required for the expansion of the physical plant.

Stockholders must be satisfied, thus quarterly dividends had to at least average out at the prevailing average rate of like investments. On the other hand more or less constant pressure from the production end to remunerate the *colonos* at a higher rate, or to in some other way alter the balance between Company and colono had to be dealt with. An unacknowledged contradiction existed between the necessity of the company to pay the *colonos* enough for their cane to allow them to survive and thus maintain the colono system and the necessity to pay dividends sufficient to satisfy the shareholders and thus maintain the reputation of the Company as a lucrative investment.

For a number of reasons, the balance inevitably tipped to the side of the shareholders. First, these people of means were for the most part friends and peers of members of the Board with whom the Directors had various business relationships. The Board members lived among these people and associated with them on a frequent basis. They were often reminded, implicitly or otherwise of their obligation to these investors. Furthermore, if dividends could be maintained, public perceptions of the Company would be positive, thus the value of the stock would increase and bond issues would be easily handled.

As for the *colonos*, they too applied pressure in their own way, but their presence was limited to the estate which was far from Philadelphia or New York. It was the Manager who bore the brunt of their protests, and he had little influence with the Directors as we

have seen, even in the case of John Durham or Gerard Smith, the two most energetic and capable of Francisco's managers during this period.<sup>33</sup>

The problem, then, was that with the manager acting as gatekeeper for the Board and filtering the upward flow of communication, the Board was often caught by surprise when the trouble came, for by then it was so pent-up as to be explosive. Rionda was far better informed than the other Directors owing to his almost daily communication with the estate and his insistence on Managers reporting every detail. Yet he was often unable to influence Company policy so long as the Craigs and McCahans held the reins. He would not have, in any case, campaigned for more benefits for the *colonos*, but did have the astuteness to ward off trouble before the situation became explosive.

### On the Frontier of Capital's Advance

Finally, looking at the entire process by which capitalist relations were expanded into the once remote areas of eastern Cuba such as Guayabal, perhaps the Nipe Bay area or some of the interior valleys, we wish to consider the ideas of the exponents of the concept of the articulation of the modes of production.<sup>34</sup> We found this

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<sup>33</sup> Leandro Rionda was also a capable manager, but Manuel could not afford to be overly influenced by a family member. It would not have sat well with the Board.

<sup>34</sup> For discussion of the theory see A. Emmanuel, Unequal Exchange, London: 1971; B. Brady, "Destruction of the Natural Economy," Economics and Society, 4, (May, 1975); A. Foster-Carter, "The Modes of Production Controversy," The New Left Review, 107, (January-February, 1978), and I. Roxborough, Theories of Underdevelopment, London: MacMillan Company, 1979. For its application see Giovanni Arrighi's seminal article,



theory to be a useful in our explanation of changing social relations in the Zambesi Valley of Mozambique during the same time period as the present study. We believe this theory has application to Cuban conditions, also.<sup>35</sup>

As European enterprise came to be imposed on one area of the non-capitalist world after another, it has been observed that definite patterns characterize the transformation from pre-capitalist to capitalist relations. It has been found that rather than obliterating the existing economy, capital restructures it, partially dissolving and subordinating it, but then actually nurturing (or "conserving") it. Thus associated with the tendency to expanded reproduction of capitalist social relations, there is a secondary tendency which Charles Bettelheim labels "conservation-dissolution."<sup>36</sup> For a variable period of time the two co-existing modes of production may articulate allowing the "symbiotic relationship of capitalist production to reproduction" to operate within "preserved and

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"Labour Supplies in Historical Perspective: A Study of the Proletarianization of the African Peasantry in Rhodesia," Journal of Development Studies, 6, (1970), pp. 197-234.

<sup>35</sup> Robert N. Lauriault, "Plantation Agriculture in Mozambique: The Capitalization of the Zambesi Prazos, 1870-1930." Master's Thesis, University of Florida, 1986. While the prevailing conditions in eastern Cuba and the Zambezi Valley of Mozambique were quite different, interestingly J.P. Hornung's Sena Sugar Estates and Manuel Rionda's Francisco Sugar Company were not so different. In fact, both Hornung and Rionda were protégés of Caesar Czarnikow, and Hornung's entire operation was capitalized through Czarnikow. Although Czarnikow refused to back Rionda's Francisco venture, Rionda owed his entire financial career to "the old gentleman in London." Both men, then, Hornung and Rionda, sharing the same source of capital and credit, operated within the same parameters as to profit and risk, and must needs have approached questions of capital accumulation in a similar fashion.

<sup>36</sup> Charles Bettelheim, "Theoretical Comments," Appendix I in A. Emmanuel, Unequal Exchange. London: 1971

atrophied pre-capitalist modes of production.”<sup>37</sup> According to this theory, capital enjoys its usual share of the surplus value without having to pay for the costs of reproduction of labor by preserving some anarchistic social formation which is held responsible for its own up-keep while simultaneously selling its labor. The preeminent example of this phenomenon in Africa involved migrant mine labor in the southern and eastern parts of the continent. Mine owners in South Africa escaped the costs of the reproduction of labor by employing workers from many hundreds of miles away who were allowed to return home periodically to their families. In other words, by prohibiting the families from coming to the mining areas, the mine owners saved the costs of food and shelter for the families which would have had to have been either paid out in wages or directly provided.

As we have seen, the local economy of the south coast of Camagüey before the coming of the sugar estate, was of a subsistence nature. Nearly all foods were grown or gathered locally, and shelter was of simple construction using locally available materials. Some clothing was undoubtedly purchased along with certain foods unavailable from the sea or soil, but in the main, cash requirements were minimal, and we can state with some certainty that the area had not been brought into the nexus of a fully monetized economy.

Capital, in the form of investments into agricultural or mining projects is often superimposed over subsistence economies such as we have described above. The result is a multi-mode economy in

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<sup>37</sup> Frederick Cooper, “Peasants, Capitalists, and Historians: A Review Article,” Journal of Southern African Studies, 7, (1981), pp. 310-11.

which labor power produced in a non-capitalist economy can enter into capitalist production, but at a much lower level of remuneration than it could were the total costs of the reproduction of labor included.

The capitalist is obliged to pay only the immediate sustenance of the laborer while he is on the job. The remainder--during the rainy season or when the worker is laid off . . . is borne by the production that takes place in the non-capitalist economy.<sup>38</sup>

This theory, then, is explanatory of the labor system used in the initial stages of development at Francisco, in which local crew bosses were contracted to clear the forest and sow the plant cane. When the work was completed the crews were dismissed to return to their subsistence life until needed again.

Second, the theory clearly applies to all migrant labor systems such as that which came to exclusively supply cane cutters to Francisco by 1917. Management was responsible for the costs of transportation and for shelter during the period of employment, but for the remaining five to six months of the year no costs were incurred. Additional savings for capital in this system are owing to the special intensity of the work during the harvest season and the minimal costs of workers' maintenance during employment as compared to what such costs would be were the workers employed year round.

Third, the theory provides additional reasons why sugar capital was attracted to the colono system and places the colono system, as it came to be in eastern Cuba, within a wider conceptual framework.

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<sup>38</sup> Charles H. Wood, "Social Relations of Production in Frontier Expansion in the Brazilian Amazon." A paper presented at the meeting of the Latin American Studies Association, Bloomington, Indiana, October, 1980, p. 9.

Though we would not wish to take Ramiro Guerra's remark in regard to the *colonos* about "changing a class of free farmers into feudal vassals" quite literally, his statement does suggest that in the absence of an existing truly pre-capitalist economy, it was in the interest of the expansion and reproduction of capitalist relations in Cuba to create an economic stratum represented by the transformation of the colono system which would exist as a subordinated sector, very definitely within the matrix of capitalist relations, but in which some of the costs of the reproduction of labor could be avoided.<sup>39</sup> This arrangement did not constitute an articulation between two modes of production, but rather between a subordinated economic form within capitalist relations and capital itself.

The *colonos* as a group defy classification. Taken separately, the *colonos independientes* at Francisco were clearly capitalist-minded and so long as the sugar boom continued during and after the war, some of them accumulated significant net worth. If they could have held on to it, they would probably have invested in various industries and perhaps formed a new and substantial sector of the Cuban bourgeoisie. Very few of them survived the 1920s, however, and so retreated to the category of landlessness and/or migrated to the cities.

The *colonos de centrales* are harder to pin down. They were not truly petty producers or peasants, nor were they wage laborers.

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<sup>39</sup> Guerra y Sánchez, Sugar and Society, p. 67. Rionda, recommending to his nephew, Higinio Fanjul, what type of colonos to look for endorsed small colonos, meaning those without resources : "they are able to attend to the fields better and are never lacking in friends and family to help." MR to Higinio Fanjul, March 5, 1905, BBC, Ser. 2.

They were not, strictly speaking, company employees. Their services were contractual, yet they shared little in common with the contract labor later brought by the Company from other parts of the Caribbean who worked for the *colonos* themselves and would have acknowledged even less. Some of them clearly identified with the Company while others in rebellious times burned its canefields.

Even though the *colonos de central* did not form a class, as such, they did come to have a uniform and highly specific relation to capital. They were contractually both tenant farmers and share croppers, but their overall condition was more like that of employees. Some might argue that because the *colonos* employed labor themselves, they should not be classed as proletarian labor but petty-bourgeoisie or some other category. The objective conditions do not substantiate such a claim. (1) They owned neither land, nor structure, nor any appreciable amount of equipment. (2) Their earnings were strictly regulated by contract, a contract over which they had little if any negotiating leverage. (3) The wages they paid the cutters were fixed. (4) They had no say as to what cutters would work for them. (5) The greater part of the year small *colonos* and their families maintained the colonias.

Other characteristics tend to place the *colonos de centrales* within the category of a rural proletariat. They banded together to protest company policy and generally identified with each other's concerns, very much as any group of workers might. At various times and places groups of *colonos* even organized themselves as members of a revolutionary class in which capacity they behaved as have many rural proletarians. In other words, in transforming the

colono system so as to create a rural proletariat, capital took a big step towards the creation of a revolutionary underclass.<sup>40</sup>

It is our aim, here, to give emphasis to a significant aspect of the invasion of sugar production and North American capital into eastern Cuba that has generally been ignored. We feel that the historiography of the twentieth-century Cuban sugar boom remains incomplete without stressing this vitally human dimension of the drama as opposed to an exclusive emphasis on the cheap raw resources (virgin soils or the simplistic price of land).<sup>41</sup> The material conditions of the eastern Island, different from those which had come to exist in the west, in combination with the new realities of the political economy of post-war Cuba, gave rise to new economic forms within altered social relations. The very name of a sugar mill may reflect those altered relations. If our estate had been founded earlier in the century, its name would probably have paid homage to

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<sup>40</sup> A study of the colono system and how colonos responded in times of social disorder would help us not only to clarify further our understanding of the place of the colonos within the social matrix (their mentalité or consciousness), but also of the revolutionary movements in early century. The creation of rural proletariats cum revolutionary classes was taking place throughout Latin America, Africa, and Asia during the period of this study.

<sup>41</sup> We suspect that the numerous references to the nominal cost of land in eastern Cuba may be based on the widely quoted price paid by the United Fruit Company for lands at Nipe Bay (\$400,000 for c.200,000 acres). This was the largest single purchase of land by North American interests, and it is to be expected that the per-acre price of a purchase of that size would be low. Obviously, there were few other purchases in that category, and in addition, the particular circumstances of that sale must be taken into account. To our knowledge no economic historian to date has done a thorough analysis of the actual cost of land in eastern Cuba during our period of study. Many factors, of course, must be considered, a partial list of which would include the true average cost of clearing including the cost of shipping the necessary tools, animals and equipment out from the United States or Europe (including duties), the legal costs of clearing cloudy titles, battles over which might continue for many years, the cost of working capital for a firm doing business in a frontier region noted for its insurgency movements, and earnings from the sale of harvested timber and special purpose woods.

San Francisco. Founded in a more secular era, it memorialized a capitalist entrepreneur. Today its name is Amancio Rodríguez, after a martyr of the Revolution.

GLOSSARY OF  
AGRICULTURAL, SUGAR-MAKING, AND RELATED TERMS, SOME  
PECULIAR TO THE ISLAND OF CUBA

|                        |  |
|------------------------|--|
| acillo                 | clay (suelos arcillosos)   |
| aporque                | the process of hilling up or banking the cane stems, the opposite process being desaporque   |
| arroba                 | one metric ton equals 86.9 arrobas, thus one arroba weighs just over 23 pounds   |
| arado                  | plow   |
| azúcar crudo           | crude sugar which test out at between 96 degree centrifugal and 98 degree centrifugal(percent of sucrose)  |
| azúcar de remolacha    | beet sugar   |
| besanas                | furrows, used as a measurement of cane plantings   |
| boyada                 | droves of oxen   |
| burro de madera        | chopping block used for cutting seed cane  |
| caballete              | ridge of earth between furrows   |
| caballería             | various sources give different equivalencies including 32.5, 33.169, 33.3, and 33.6 acres or 13.43 hectares. 33.3 is used as a basis for calculations in this study. |
| cachaza                | first froth on cane juice when boiled  |
| caña de administración | canefields administered directly by centrales  |
| cañaveral              | cane field   |
| carreta                | sugar wagon  |
| carreda                | wagon load which was often used as a standard measure for cane, wood, etc.   |
| careteria              | roads or lanes separating the cañaverales used for the transport of cane from the fields to the mill or nearest rail line.   |



|               |  |
|---------------|--|
| caudrilla     | gang of laborers, small square area  |
| ceniza        | ash  |
| central       | a sugar factory typical of the period c.1880 to the present which usually contracts for its cane from surrounding planters or colonos  |
| centrifugal   | a machine used in the last phase of sugar making which separates the crystals from the molasses and expels by centrifugal force all but 2 or 3 % of the remaining impurities in the sugar. |
| chapea        | the first phase of land clearing for cane consisting of cutting all the small trees, vines, and brush that can be cut with a machete.  |
| clarificadore | a clarifying machine which allows heavier impurities in the melted sugar to settle out within layered internal chambers.   |
| colonato      | the colono system  |
| colonia       | that portion of a sugar estate set aside for a colono  |
| colono        | a contractual sugar planter who may or may not own his own land and who sells his cane to a central at a predetermined price to be paid either in sugar or currency.                       |
| conductor     | a powered belt used to conduct the cane into the crusher   |
| corral        | 421 caballerías, or 5654.03 hectares, or 14,145.6 acres  |
| cordel        | c.20.3 linear meters or c.400 sq. meters(c.1/10 acre)  |
| cosecha       | harvest  |
| crystalina    | the most widely planted cane variety in Cuba during the period of study.   |
| defacador     | a clarifying tank for guarapo  |
| desfibredora  | a crushing machine used in the first stage of cane processing to pulverize the fiber   |
| foguereo      | the fifth phase of land clearing for cane in which the remaining unburned trunks and stumps are reiled and burned again.   |
| fonda         | mess hall for field labor  |
| frio          | the Fall cane planting (October through December)  |

|                      |   |
|----------------------|---|
| guarapo              | sugar cane juice (also the fermented juice), often called simply 'jugo', the true name is 'sacarosa'.   |
| guarda raya          | lane between canefields   |
| guataca              | spade with hammer on end of handle; often without hammer in Cuba  |
| habilitar un terreno | to develop a property or in Guayabal used to describe the preparation of the land for planting(Rionda asked the meaning of this phrase)               |
| hato                 | 1,684 caballerías or 22,616.12 hectares or 56,582.4 acres   |
| ingenío              | sugar mill  |
| league               | 4,277 meters; 5,000 "varas cubanas"; approximately 2 1/3 miles  |
| limpiar (la teirra)  | to clear of felled trees and undergrowth  |
| manigua              | thicket, jungle   |
| massecuites          | the syrupy mass produced by the action of the vacuum pan  |
| Medio tiempo         | the mid-season cane planting(February and March)  |
| melado               | thick cane syrup  |
| miel, mieles         | molasses, honey   |
| molino               | mill for grinding any agricultural product, but more particularly grain   |
| Otaheite             | the most widely planted cane variety in Cuba during the 19th century. Its susceptibility to mosaic disease ended its use.                             |
| pica                 | the third phase of land clearing for cane which consists of cutting up the felled timber and segregating the wood to be saved from that to be burned. |
| plant cane           | the initial planting of a cane crop, usually thought of as unprofitable due to initial planting costs.  |
| portero              | a livestock farm of limited size or pasture land, in the sugar industry used for the grazing of oxen.   |
| primavera            | the Spring cane planting (April through June)   |
| quema                | the fourth phase of land clearing for cane in which the felled timber is burned as thoroughly as possible.  |

|                   |  |
|-------------------|--|
| ratoon crop       | all successive cane crops which regenerate from the stools after the initial plant cane crop.  |
| regadio           | irrigable, irrigated land  |
| rendimiento       | yield  |
| reparaciones      | the period two or three months prior to grinding in which the milling machinery is repaired, readjusted and generally refitted for operation.  |
| retoños           | ratoon cane or the canefields which have resprouted with suckers; all fields after the first and successive cuttings; old fields   |
| saca              | bag of sugar weighing 300 pounds   |
| siembra           | planting   |
| sitiero           | small farmer, peasant  |
| surcardor         | plowman  |
| surcar            | to furrow, to disc   |
| surcos            | furrows  |
| tachos al vacio   | see vacuum pan   |
| tarea             | an assigned quota of cane to be brought to the mill by a colono within a defined time, usually one day; formerly a unit of measure of wood or other bulk materials.  |
| tienda            | Company store leased out to separate management  |
| tierra se cansaba | tired soil, exhausted soil   |
| tiro              | team of draft animals, usually horses or mules   |
| trapiche          | sugar mill typical of the 17th-19th centuries, usually driven by animal power  |
| triple effect     | a series of vacuum pans through which is pumped the cane syrup which passes through copper tubing from one evaporation tank to the next for the purpose of concentrating the syrup to form the syrup known as massecuites. |
| trocha            | a ditch or trench; a boundary line   |
| tumbas            | land being cleared or recently cleared for new cane plantings; the second phase of land clearing in which the large trees are felled. Originally tumbadero (felling-places).*  |

vacuum pan

a machine which employs the use of a vacuum to boil the sugar solution down at a more rapid and economical rate than would otherwise be possible. The solution enters a modern vacuum pan at 60-65 brix and leaves at 93-98 brix. This is achieved by what is known as multiple effect pans which are arranged in tandem.

vara

.8454 meters or about 2.78 feet

yunta

yoke, team of draft animals, usually oxen

zanja

ditch, as a drainage ditch between cañaverales

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\* See Manuel Moreno Fraginals The Sugar Mill: The Socioeconomic Complex of Sugar in Cuba 1760-1860. Translated by Cedric Belfrage. New York: Monthly Review Press, 1976, pp. 97-98 for a fascinating explication of this word and its extended meanings.

APPENDIX A  
PROSPECTUS OF THE FRANCISCO SUGAR COMPANY

**1st Year** 8 million arrobas of cane at 71/2% plus 1%

**Earnings:** 71/2 % o 8 million = 600,000 arrobas of 1st sugars

less 20% for K & P = 120,000 = bal of 480,000

arrobas = 12 million pounds

at 2¢ cif = \$240,000

1% of 8 million = 80,000 arrobas of 2nds

less 20% for K & P = 16,000 arrobas

= balance of 64,000 arrobas = 1.6 million pounds

@1 1/2 cif = \$24,000

4,000 hogsheads of molasses @ \$4.50 = \$18,000

\$282,000

**1st Year**

**Expenses:** 1/5 cost of planting cane (1/5 of \$95,000) =\$19,000

Cutting and hauling 8 million arrobas of

cane to mill @ 75¢ per 100 arrobas = \$60,000

Cost of manufacturing sugar guaranteed

not more than 30¢ per 100 arrobas:

17,000 lbs @ 30¢ = \$51,000

|                             |              |          |
|-----------------------------|--------------|----------|
| Salary of manager =         | \$5,000      |          |
| Salaries of 2 bookkeepers = | 4,000        |          |
| Salaries of other clerks =  | <u>4,000</u> |          |
|                             | \$13,000     | \$13,000 |

|                                       |                     |
|---------------------------------------|---------------------|
| Sugar makers, 8¢ per bag of 300 lbs   |                     |
| 56,666 bags =                         | 4,533.28            |
| 56,666 empty bags = @ 15¢             | 8,500               |
| frieght to New York, 12¢ per 100 lbs, |                     |
| 17,000 lbs =                          | 20,400              |
| hauling to wharf, 5¢/lb, 56,666 lbs = | 2,833.30            |
| insurance, 3/4% on \$400,000 =        | 3,000               |
| commission, 1 1/2% on \$360,000 =     | <u>5,400</u>        |
|                                       | <u>\$187,666.58</u> |
| Net Profit =                          | \$ 94,333.42        |

**2nd Year** As above except \$12,000 cost in weeding and  
cleaning canefields and only 16% of sales for K & P  
=net profit of \$95,533.42

**3rd Year** As above except only 12% of sales for K & P =  
net profit of \$100,061.26

**4th Year** As above except only 8% of sales for K & P =  
net profit of \$101,061.26

**5th Year** As above except only 4% of sales for K & P =  
net profit of \$100,061.52

**6th Year** As above except 0% of sales for K & P =  
net profit of \$119,375

[Note: no salary increases over six year period]

Note: These calculations show a decrease in quantity of cane and sugar but this is more than made up for by the decrease in the % to K & P.

Estimated sugar production years 1-6 in arrobas:

year 1: 600,000

year 2: 600,000

year 3: 562,000

year 4: 525,000

year 5: 487,000

year 6: 450,000

## APPENDIX B NARRATIVE OF NAN RISLEY

Typescript of descriptive prose by Nan Risley, wife of Robert Risley who held the Francisco *colonia* La Esperanza in partnership with Higinio Fanjul, January circa 1903 (Assembled from fragments, typewritten and long hand)

This morning I saw a native funeral. The man was a cane cutter, alone here. He had some family or connections living in one of the towns some distance away, so it is said, but there was no time to send for them. The man complained of feeling badly one night, the next morning he was found stiff and cold, with eyes starting from his head and body shaking with a severe nervous chill. He was taken to the house of the *Mayoral* (Overseer) where he was looked after in a careless way. They say he had lockjaw, which was not true. He was given hot drinks and rubbed with turpentine by order of the *Colonia*, (Plantation owner),\* but on the night of the second day he died. He had been a drinker and had reached the end of his resistance. Then there was much riding back and forth to find the carpenter who would make a coffin, the doctor to give a certificate of death.

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\* All other sources indicate a *colonia* is a piece of land controlled by a *colono*. A *colonia* was often large enough to be regarded as a "plantation" in the English sense of the word. It would seem that she meant to say "*colono*," not "*colonia*."



The women, native Cubans, [a] mixture of Negro-Indian and Spanish, came from all quarters, to the number of twelve or fourteen, and sat all night drinking coffee and eating biscuit, telling each other of other watches, in the small one-story house of the Mayoral, consisting of living-room, kitchen, one bed-room, and most important of all, a porch across the front and side, where the men sat and smoked and spit and gossiped. The roof of the house is thatched with palm, the sides of slabs and of palm bark.<sup>†</sup>

In the morning the rough coffin of pine planks, painted a grayish black, was tied with ropes to some boards, and four men, some Negroes, some half-breeds, carried it on their shoulder the mile and a half to the railroad station, where it was put on the train and sent to the nearest little town, 15 miles away, where there is a cemetery. It was followed by the *Colonia, Mayoral*, and private guards on horse back, and by a variegated collection of native cane-cutters and *carretta* (drivers), who walked along with cigarettes in their mouths, talking to each other. Sometimes one would fall back a few feet and then run to catch the others, calling to them as he ran. It was a disorderly procession, the men half dressed, mostly in filthy clothes.

The clothes of the native consist of a shirt and cotton pajamas, a pair of trousers, at the best of times, frequently the shirt is omitted and the shining jet black or bronze skin is bare to the waist.

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<sup>†</sup> Palms have no bark. She may mean Royal Palm (*Roystonea regia*) logs ripped to form siding (*tabla de palma*) or merely an outer strip of the palm logs used to form siding (*yagua*).

These terms appear in Nelson. *Rural Cuba*, p.202.

At this funeral there was no priest, nor anyone to read a service. No attempt was made at ceremony of any sort. It was a holiday, but not so joyous a one as usual. The priest who had charge of this district, a wretched apology for a man, filthy in looks, habits and conversation who boasted that he could do anything, and the church would save him from punishment. He had, indeed, been twice arrested for crimes that would have put him in jail for the rest of his life, but the church rescued him--evidently he held some threat against them, and they did not dare allow his knowledge to be made public. His visits to this out-of-the-way settlement were few and far between, and not welcome, for when he came it was only to extort money from those too poor to spare a penny. During his long absences the young people often elected to live together and children are born, when the Priest comes he threatens them with the curses of the church unless they go through the ceremonies of marriage and of baptism for the children, after having worked on their superstition sufficiently he would demand a sum which to these people is a fortune, and refuse to perform the service until the money is paid--on his last visit he was asked to baptize a dying child, after terrorizing the mother into hysteria by threat of eternal damnation for the child, he demanded a sum entirely beyond their resources, they offered all they had--but he was not satisfied, and turned to leave the house--where the child was evidently at the last gasp. When the desperate father marched out, got the help of some sympathizing neighbors, who made up the sum, and the baptism took place as the breath was leaving the child's body. This representative of the church was not in the neighborhood at the time of the cane

cutter's death, otherwise his poor fellow workmen would have been called on for contributions to save his soul, by giving of their hard earned money. It is strange to hear the people, when the Priest is not about--estimate him at his true value, and then when he appears among them--threatening them with the power of church, working on their excitable imaginations--the effect of generations of superstitious terror makes them submit to any demand he makes, rather than brave the possibility of eternal damnation, which he freely promises.

We have had a birth too, on our little estate, the wife of the cook and keeper of the "*Fonda*" (eating house for the working men) presented him with a small daughter a week or two ago, whereat there was great rejoicing. This is their third child but neither of the others lived for more than a few hours. This one promises to live long and be sufficient torment to her parents to make up for the lost. We went to see the mother and child when it was three days old; this seemed rather hasty to us, but here it is not the custom to let the grass grow under ones feet in such matters; we bowed to custom, as do the wise who wish to avoid discussion. We found them in a little one-story hut, thatched with palm and made of slabs of palm bark, a large bed draped with dark red, satin striped gauze, a canopy which covers the whole top and sides, reaching to the floor, the baby sleeping calmly, spite of lights and visitors, the Mother very proud and happy. We offered our congratulations and good wishes through the interpreter, and were earnestly advised to go do likewise. After drinking to the health of the family in warm beer, also a custom, we departed. The father was overflowing with the delight and

satisfaction of the great occasion, his wife looking on indulgently at him remarked, complacently, "*Arturo esta muy loco, muy loco.*"

Life on a new sugar plantation in Cuba under the management of the American invader, lacks entirely the atmosphere of romance, luxury and chivalry with which we associate the Spanish order. There is no imposing house with spacious rooms and lofty ceilings, floors and walls of beautiful tiles or marble, balusters for stairs and gallerias of artistically wrought bronze or brass made by artists of France or Spain. A house filled with heavy elaborately carved furniture of rosewood and mahogany and laces and the famed drawn linen of spider web fineness, done in the convents of Spain and Mexico. The remains of such establishments are to be seen, with a few of their glories still left to them by the fortunes of war. But the new plantations are different. The house, of one story, is hastily constructed of boards, the roof of corrugated iron, which rusts with the heavy dews and warps with the hot sun, gradually slipping off in sections, so that when [one] of the sudden electric storms or a Norther comes up, with tremendous wind and rain in torrents, the house is flooded, and the dwellers therein are so busy rescuing their threatened property that they are likely to miss enjoying the storm, which is apt to be both awful and beautiful and terribly destructive, the force of the wind often ruining fields of cane and the floods of water drowning it.

Things never seem to get dry--they have always a damp, unpleasant feeling to the hand or body, and unless put out in the hot sun frequently, they soon mildew and rot. It will be readily seen that clothes of a delicate color or texture have no place in such a climate,

indeed as the Cubans long ago discovered white and the natural linen color are the only things to be depended on.

There are no roads worthy the name, no English[sic.] speaking neighbors, no society. Life is, in fact, a duplicate of that on a large ranch on our western prairies, where, as far as the sight can reach, one sees only fields of wheat or corn. In Cuba the cane fills in the picture, and looks so much like huge corn stalks, that at first the effect is most disappointing to one looking for novelty.

However a ride through the canefields is a novel if somewhat painful experience. The tall stalks of cane are far above ones head as one sits on the horse and the sharp leaves reach out and slap at one, cutting hands and face if they happen to strike edgewise. To look down the "*Guarda rayo*" or lane between the fields makes one think the whole world is a vast field of sugar cane, for it waves on and on until the parallel lines seem to meet and one is imprisoned between the green walls. Coming to a rise one looks over miles of bowing and bending stalks; at the far edges perhaps a glimpse of dark woods looking tired and outworn, making the vividness of the green cane so much more young and alive by contrast. To ride from the brilliance and constant whispering of the field into the somberness and quiet of the woods strikes one into silence; the old, old trees with twisted and gnarled trunks and limbs, some hanging dead in space, many lying on the ground over which horses slip and stumble; everywhere the signs of destruction of tropical winds and electric storms. Long rope-like stems of vines hang in every direction ready to catch the hat or head of the unwary and cause a shock of surprise if nothing more. There is about these woods a mysterious sense of fatigue, of a dumb

endurance, nothing joyous, no suggestion of growth, though there are giants among them. All look as if standing half sullenly, half defiantly awaiting the final finishing stroke of the hand of destiny. Coming out into the plain ones spirits are raised by the sight of a grove of young palm trees, some royal palms, some fan palms, and near the ground bushes of the same dark glossy green. All look alert and promising as if they had work in hand and expected to accomplish it. This is Cuba the real, the scarce known Cuba, the stronghold of the rebellion, where men lived hidden from the Spanish army for months and years, subsisting on nothing, or less, animated by that strange unaccountable patriotism which found vent in the cry "*Cuba Libre*". These same men who inspired and led others, and many who only followed and endured, go about now on their daily tasks, cutting the sugar cane, getting wood from the forests;--Mahogany, cedar and the like to be sent away to the "States" and to Spain; rebuilding rough shelters for themselves, for all houses were burned by the Spanish; trying to get together a few cows and plant once more a little garden and corn for their poor, half starved looking horses, for all vegetation that would sustain life was destroyed by the Spanish. They seem mild and industrious; they get up before dawn to cut the cane and work until dark; hard labor, exposed to the broiling sun through the mid day, to the mists and chill and dampness of early morning and evening; and they do this through at least half the year, longer if the rainy season holds off, and they can continue the carting of the cane to the mill; for when the heavy tropical rains begin the roads become impassable for carts and almost so for horses as they sink in their mud to their shoulders, and it is mud such as we do not have at all in

the States, like half burned clay, so stiff, so hard, yet often soft enough to allow horses to sink deeply enough to become mired. In bad weather I have known twenty bulls to be harnessed to one *caretta* carrying about a ton of cane. Frequently a cart has to be unloaded before it can be moved, the clay collects on the heavy wheels until they cannot turn, and it must be chopped off with the heavy machetes and cane knives.

The Native Cuban, as I have seen him, is a mild looking person, who reminds me of Bret Harte's famous Chinees, whose smile was "child like and bland". The Cuban also has "ways that are dark and tricks that are vain". He too has the "Spanish quickness in quarrel when his "honor" is touched. His weapons are the Machete and cane knife, both sharpened to a razor edge, and he uses either with most remarkable skill, frequently doing bloody execution, for their duels are not for empty show, though they will fight at the slightest provocation.

Life, since the war ended, lacks the excitement that had become the rule, and this readiness for any diversion is doubtless a survival of war's influence.

It is very remarkable that a people who have lived so many years in lawlessness should so quietly submit to laws severely enforced, to heavy taxes, after having so long refused to pay any and show patience where formerly a fierce insolence was his characteristic.

It all goes to prove that his demand to be allowed to rule himself was the result of his instinctive conviction that he knew his own needs best.

The American occupation taught him much that he would have learned more slowly by himself, of the need of cleanliness, order and sanitation. A people who live for generations with weapons in their hands have little time for thought of "Village improvement", but now that the opportunity has come they are ready to make use of it, though the war has left them utterly impoverished; their cattle and horses gone and their farms laid waste.

Food and clothes are naturally the first requisites, but they are not waiting to amass fortunes.

With no more than the fair treatment and opportunity they ask for they are likely to surprise both their friends and detractors.

They are a philosophic race, fortunately, and if they feel their loss keenly, are much more inclined to dwell on the blessing of their freedom from the Spanish rule, which was, as Spanish rule always has been, arrogant, pitiless and priest-ridden.

So they take advantage of all opportunities, feast days and Saints days, to brighten life with music, dance and laughter, with as much of a feast as can be coaxed from slender resources and refrain from invidious criticism odious comparison.

They have a sense of humor and a spirit of mischief which leads sometimes to practical jokes of a somewhat rough and ready kind, but nothing worse than, if so bad as, the pranks of our own college students.

From my window I can see the Barracone, of which a part is the kitchen, another part quarters for the servant, and still another stalls for the horses.



The cook is an old withered negress, looking every day of seventy years and as much as one imagines a Voodoo Priestess might. To-day is her saints day, and when we asked her age she said thirty-four. The Eternal Feminine!

To-night there are great preparations going forward in celebration of the event; the fire blazing on its pile of stones, built about waist high, with small hollowed places in which the fuel is placed, the regulation Cuban stove, throws into relief the figures of the busy helpers and makes fantastic shadows in the semi-obscurity.

Now and then a head is clearly silhouetted against the flames, sometimes black and smooth shaven, again yellow with a heavy beard and bushy eye-brows; then the red bronze of the Indian. There is much talk and laughter, occasional bursts of song; someone whistles like a blackbird, the "Cuban Hymn", sometimes, but often as not a Spanish Dance with a suggestion of the Castanets in the snapping fingers and one can see the shadows taking a few steps to the music amid the serious business of preparations. In return for a few little gifts including cigars and some money the cook, whose name is [---] has sworn herself our most devoted slave for life, and wished for us health, much money and many children. It would be more satisfactory if she would ever remember that we do not like all our food drowned in oil which has lost its youthful freshness, but that seems beyond her capacity.

The Southern Moon, brilliant and white, lends a wonderful softness and beauty to the prosaic fields and roads. Riding by moonlight has all the fascinations and attraction of a transformation scene. To go out as the sun is setting, the whole horizon tinted with

the wonderful coloring clouds of dark gray, pale gray and opalescent white, all touched, some outlined, by a pink tint here, a red tint there and in the West a molten mass of copper, scarlet and gold. To ride on as the moon comes up behind the fields, the colors slowly fade and change, the sky becomes soft blue, then a stretch of black velvet, with a star here and there to accentuate the depth, until Luna herself, slowly, gracefully advancing, claim[s] her own and reigns in mid-heaven, not even the boldest star daring to dispute her supremacy. The cane begins to droop with heavy dew, almost like rain, and the moon shining down turns the drops into silver, while each leaf is fretted with delicate tracery, like frost work. It is a scene to inspire a poet. Then to turn back and ride slowly, as the Queen of the night gets nearer to the western horizon and reluctantly takes her last view of a world so reluctant to part with ;her, while the blackness wraps one about like a mantle of soft silk and all the land ;marks disappear; one feels a chill of lon[e]liness and with a word hastens his horse homeward to the lights and fellowship of domesticity.

Yesterday H. [Higinio Fanjul] had a birth day. In the evening all the workmen living at the Barracone had roast pig at his expense in celebration. Later they came in a body to the house with instruments, consisting of an accordion, a native drum, a double one made of palm trunks--hollowed and covered with skin, and a queer tin instrument that looked somewhat like a slim coffee pot made of a nutmeg grater with a handle, with something inside that rattled while the player scraped the outside with a bit of tin, getting noise impossible to describe but most effective. They played Spanish, Cuba

and American airs, in excellent time, then began to sing, first in a chorus, then some love songs, all rather in the minor key, parts of the airs very pretty. Then they did some native dancing, very slow and solemn and keeping in a small space moving out to make a circle, once in a while, but always getting back to the place of beginning. This is the *danzon*. The step is very short, much like the waltz, but the knee is bent making a peculiar dip at each turn. They have dances with much more life and motion but no one was brave enough to venture on them. As an offering when they came they brought a piece of the roast pig, very nicely browned and good flavored. It is roasted out doors on a spit between two fires and they manage wonderfully about getting things done without scorching. About 11 o'clock, after many bottles of the host's beer had been consumed, he thanked them, told them to remember *Manana* and said "*Buenos Noches*", whereat they all arose, returned the salutation and departed. The guests had occupied the porch while we sat just inside the door in the living room. This was my first experience of seeing a host disperse his guests, but as it was accepted as a matter of course, I presume it to be another custom of the Island. We heard next day that they spent the rest of the night gambling and drinking, so that many were male [*malo*] next morning and unable to work.

Their gambling is about the only excitement left them since the war is over and they often keep it up all through a night losing all their possessions, horses, machetes, cane knives, everything but the rags on their backs, so that next morning they must come borrow a knife to go to work again. The explanations of how the other was lost being very amusing, sometimes, and of course not too curiously

inquired into by the planter. This instinct for gambling is, of course, a heritage of the Latin races, and except for making them tired the next day, seems a harmless diversion. They seldom drink to excess--it is a custom among the field-hands to share a five cent bottle of rum, holding less than a pint, among a dozen men, so no one gets enough to seriously affect his sobriety. They all drink from the same bottle, but none touches it with his lips--he merely pours in the mouthful allotted to him with great neatness, never wasting a drop--they drink from their water bottles in the same way, never touching their lips to the spout. They were much disgusted with the American way of putting a bottle in the mouth, and expecting others to drink in the same way after them.

Oxen and Bulls as motive power are extraordinarily slow. They, with the primitive *Carreta*, were until very lately the only known method for moving cane. Some of the large Estates have a railroad line running through or past the Colonias, but the cane in the fields must be loaded on the groaning and complaining *carreta*, which, being built entirely of hard wood, protests at every turn of the wheel, sometimes rising to such a shriek of agony that the unaccustomed hearer springs to his feet thinking some fearful cruelty is being enacted on the long suffering, uncomplaining bulls whose beautiful eyes speak of resignation and submission. As a rule the *Cartadors* (drivers) are not cruel and the animals are fairly well cared for. Their constant exhortations to them when hauling a heavy load, the endearments, the profanity and directions are untranslatable, but the bulls seem to understand. How the throats of the drivers survive the season is a marvel, for they sound as if

scraping the lining from both chest and throat. Exercise is said to be strengthening, but there is a great preponderance of throat trouble hereabout and coughs are heard on all sides. On suggesting mules as somewhat swifter of foot and equaling enduring I was told they want too much care and too much to eat to keep them in condition. The bull will thrive on the cane tops which are waste, while the mule must have grain and some sort of currying at intervals [and] also a stable. The bull is never curried, and never has shelter of any sort, he finds his own bed and board in the cane fields where he works. The custom here is to fasten the yoke to the horns, so that all the strain and weight of the load comes on the forehead. I am told that after a certain time many bulls go mad and run amuck [amok], when they are very dangerous--as they get into the dense cane where they cannot be seen, and will often rush out and attack a passer-by. One of our horses was badly cut by a bull a few days ago, and the rider, one of the men employed on the estate barely escaped being thrown from his saddle and gored. There is nothing to do under these conditions but shoot to kill, as a fine bull is worth several hundred dollars, this is a source of serious loss to the planter besides the inconvenience of replacing them in the busy season. So far I have not been able to discover any better reason for their being harnessed than that "it is the custom"-- different methods of handling cane are being investigated and advocated and soon, no doubt, all will be done by machinery. When the picturesque and patient bull will be superseded and gradually disappear.

The younger Cuban men are well built specimens with fine shoulders, narrow hips and long straight legs. the older men are apt

to be rather squat looking. The younger ones have a fine free carriage of the head and body, acquired no doubt, by marching many miles with their guns and all their worldly possessions on their backs. All have a look of self-reliance. One can see the spirit that kept them struggling against Spain's oppression, against overwhelming odds. One can see too, that they probably enjoyed the way they were able to elude Spain's well trained soldiers by the arts of the woodsmen and they no doubt took a somewhat malicious pleasure in misleading, confusing, and exhausting them, since these were the only tactics possible for them to apply with any hope of success against the superior force and equipment of the enemy.

Not to miss any of the sensations connected with the Sugar Planter's life, we have had our fire also, with the wild excitement naturally attending so doubtful an outcome for no man can tell when once a fire starts in the acres of dry cane, which burn like tinder, where it will end or if the best efforts of hundreds will be able to conquer the demon. For one thing the wind is more capricious here than in most places, and changes in the space of a breath, blows very strongly and will often carry fire over several fields, starting a new fire at a distance from the first and dividing the forces of the fighters. Fortunately for us our fire came on a night of unusual calm, only a slight breeze was blowing, and that away from the house, for the fire was much too close for safety--if any of the hundred things had happened that might have, but did not. The men fought it for several hours and I stood on the porch and watched it, fascinated and horrified by the constantly changing beauty and danger of it. The sound was like that of rapid fire guns that never ceased for a

moment. Added to this was the constant clanging of the big bell, the calls of the men trying to get bulls out of danger, the lowing of the bulls themselves. The bulls unlike horses do not seem to fear fire but will lie calmly chewing and watching it, making no effort to move. For this reason they are often rescued at the risk of the drivers lives. They are lumbering slow moving creatures and the fire is swift, so sometimes, though seldom, they are overtaken and devoured by the fierce flames.

When the fire began the smoke there was a dense white, almost like steam, with little tongues of flame darting here and there near the ground; as the fire reached the sugar the smoke grew darker and heavier with a dull angry crimson outlining it; then as the flames reached new cane, the lighter smoke was mixed with this, until the whole glowed opalescent; for a time the wind veering, the clouds of light colored smoke took the shape of an enormous corkscrew, the small end to the ground; the whirls growing larger as it ascended, the whole a most beautiful tea rose tint; and under it, as if supporting it, the wall of dark gray. The heat was intense and the light brilliant, casting a shadow on the porch almost as sharp as sunlight. Finally after several hours--the time seemed endless--the flame and smoke died down to a pale gray haze the blue-black sky, and the ground was dotted with sparks and little fires here and there; while overhead myriad stars looked calmly down making one feel how petty and inconsequent are the woes and losses of we mortals. After four days the smoke is still rising from the burned fields; a watch is kept night and day for fear the wind may find a spark to blow into flame. The workman whose industry and

carelessness are responsible for the disaster, first because he was working by lantern light, second because he upset the lantern, which exploded, promptly lost his wits, he could have put the fire out easily if he had kept them, then, on seeing the damage being done as the fire spread and the crowds of people began to arrive, he became quite frantic, threw himself into the fire and had to be rescued by [a] fellow workman. As anyone convicted of setting fire to cane may be sentenced to twenty years imprisonment this was not so incomprehensible; but the poor fellow was obviously innocent of any intent of evil, and we refused to have him arrested when the guards came for him next day. It took considerable persuasion on H's part to convince them he wouldn't prosecute, but they finally left, to the old man's intense relief and gratitude. There were two hundred men at work putting out the fire under H's direction, and I am told his generalship was most remarkable, his first words gained him complete control of the men. His plan for cutting off the fire from other fields was [an] inspiration of genius, the men worked like machines under his direction and accomplished a seemingly impossible task. After it was all over he took them to the store, where they had rum, cheese, ham, sweets and anything the place afforded, all of which they had well deserved and earned.

Fires are next to tropical storms--the most deadly enemy the planter has, and all through the season the fields, miles in extent, are patrolled by private guards, to give warning before a fire can gain headway. In addition to this a company of the "Rural Guard" really mounted police under military discipline are quartered on the estate, and punishment is swift and sure if an incendiary is caught.



Sometimes workmen who have had a grievance start a fire out of revenge--and sometimes it is done because in a certain condition of the cane it makes the cutting easier.

APPENDIX C  
THE TRANSFER OF THE GUAYABAL LANDS TO THE FRANCISCO SUGAR  
COMPANY: PREAMBLE AND RESOLUTIONS

The Cuban-American Sugar and Land Company, a corporation organized in New Jersey on February 5, 1900 by the Estate of Francisco Rionda "owns certain lands on the south side of the Island of Cuba described and commonly known as 'Hato Viejo' and 'Yaquimo' and particularly described as follows: About forty-five thousand acres of land situated on the south side of the Island of Cuba, between Santa Cruz and Manzanillo usually called 'Hato Viejo' and 'Yaquimo' bounded as follows: On the north by the property called [sic] belonging to the heir of Faustine Caballero; on the south by the sea and the farm called Buena Ventura of Mr. Fortunez; on the west by the farms called Mercedes, San Cirilo and Anoncella.

In the title to this property is included the town of Guayabal containing about 60 common Cuban country houses and 400 inhabitants; also the wharf on the premises and the planting of about 60 to 80 acres of land with cane, as well as other crops and timber now standing on the premises with the exception of a privilege still remaining for six(6) years, granted to Mr. Salvador Fluriach to cut cedar and mahogany in the lands, which privilege the company is to recognize. And

Whereas the said Cuban-American Sugar and Land Co. has already cleared from 40 to 50 caballerías (1333 to 1667 acres) has planted and bought cane that should in all probability be sufficient to seed the above clearings, and has made various other improvements, and

Whereas the stockholders are of the opinion that the said property is extremely valuable and is adapted and available to the furtherance of the objects of incorporation, therefore it is

Resolved, that in order to carry out the purposes of incorporation, the Francisco Sugar Company makes the following offer:

In consideration of the Cuban-American Sugar and Land Company, a strip of some 500 Caballerías (16,667 acres) of the lands commonly known and described as 'Hato Viejo', said strip to contain the town of Guayabal, the old wharf, a strip of the coast containing Cape Romero, the clearings already made, the fields planted with cane, together with all the personal property now used by the Cuban-American Company in the care and cultivation of the land, and all cane bought by the above Company for the purpose of seeding their lands. The Francisco Company will issue to the said Cuban-American Sugar and Land Company one hundred thousand dollars(\$100,000) full paid and non assessable stock of this Company, in one thousand(1,000) shares at the par value of one hundred dollars (\$100) each in full payment for the 16,667 acres and the Francisco Sugar Company will assume the cost of clearing the land, planting and acquiring cane, and other expenses incurred by the above company in the care and improvement of the land, the same to

be paid in full paid and non assessable stock of this company, And it was further

Resolved that the Board of Directors be given full powers to deal with the Cuban-American Sugar and Land Company as to the dimensions of the land to be bought, the price to be paid therefor, the sufficiency of title, and as to all such incidental matters as might arise."

APPENDIX D  
FRANCISCO SUGAR COMPANY COLONOS WITH AREA OF COLONIA,  
MARCH, 1917

| <u>Colono</u>    | <u>Area of the<br/>Colonia*</u> | <u>Colono</u>     | <u>Area of the<br/>Colonia*</u> |
|------------------|---------------------------------|-------------------|---------------------------------|
| Marcial Aguilera | 6 cabs.                         |                   |                                 |
| Juan Cabrera     | 12                              | J. H. Pérez       | 47                              |
| Manuel Cabrera   | 6                               | T. E. Piedra      | 25                              |
| Ruben Cabrera    | 26                              | Cueva y Balbona   | 38                              |
| Antonio Calcines | 18                              | Antonio Pons      | 17                              |
| E. Castaño       | 11                              | Bartolome Pons    | 27                              |
| Benjamin Cortina | 38                              | F. Ramirez        | 9                               |
| Higinio Fanjul   | 37                              | Juan Riera        | 17                              |
| Francisco        | 6                               | S. Riera          | 13                              |
| Figueredo        |                                 |                   |                                 |
| C. Fonseca       | 11                              | Enrique Serrano   | 11                              |
| Atilo Leon       | 39                              | Antonio Rodriguez | 3                               |
| Juan Paneque     | 16                              | Serra y Güixens   | 6                               |
| Florencio Peraza | 39                              | S. Romagosa       | 30                              |
| Diego Pérez      | 21                              | Alejandro Sánchez | 7                               |
| J. M. Pérez      | 22                              | Juan Sosa         | 3                               |
| Total            |                                 |                   | 561                             |
|                  |                                 |                   | cabs.                           |
| Av. Size         |                                 |                   | 19 cabs                         |
| Francisco Sugar  | 76                              |                   |                                 |
| Company          |                                 |                   |                                 |

\* Cordels rounded off to nearest caballería

Table X.2. History of Cane Plantings at Francisco, 1901-1909

| Colono/Compan<br>y | Colonia      | Year(s) | Caballerías<br>Planted |
|--------------------|--------------|---------|------------------------|
| Bartolome Pons     | La Fé        | 1901-09 | 15                     |
| Higinio Fanjul     | La Esperanza | 1902    | 11                     |
| Francisco Sugar    | Los Ranchos  | 1902-06 | 29                     |
| Francisco Sugar    | La Estrella  | 1902    | 11                     |
| Serra y Guixens    | Las Delicias | 1903    | 4                      |
| Rafael Carranza    | El Porvenir  | 1906    | 16                     |
| Higinio Fanjul     | La Maria     | 1906    | 14                     |
| José Sosa          | San Pablo    | 1906    | 14                     |
| Francisco Sugar    | La Loma      | 1907-09 | 16                     |
| Ernesto Cueva      | Yamaqueyes   | 1908    | 5                      |

Source: Manager's Journal, BBC, Ser. pp. 17-18.

History of Colono Cane Plantings at Francisco, 1910-1917

| Year                  | Number of<br>Colonos with<br>New Plantings | Approx.<br>Average<br>number of cabs.<br>planted to new<br>cane | Average<br>number of cabs.<br>planted to new<br>cane per<br>year/per colono |
|-----------------------|--|---|---|
| 1910                  | 17   | 89  | 5.2   |
| 1911                  | 19   | 91  | 4.8   |
| 1912                  | 10   | 24  | 2.4   |
| 1913                  | 13   | 50  | 3.8   |
| 1914                  | 7  | 29  | 4.1   |
| 1915                  | 19   | 128   | 6.7   |
| 1916                  | 18   | 42  | 2.3   |
| 1917                  | 17   | 97  | 5.7   |
| Post 1909<br>Averages | 15   | 69  | 4.4   |

Source: Manager's Journal, BBC, Ser. , p. 18. First names are from Ser. 10, "The Francisco Sugar Company," 1917, Colonos Accounts.

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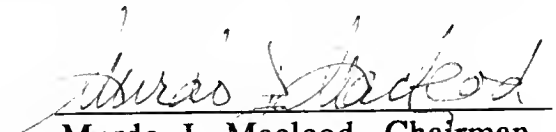
## BIOGRAPHICAL SKETCH

The author was born of French and Scottish heritage in Charlottesville, Virginia, in 1946. He was raised in Virginia and Florida and attended the University of Virginia (1964-1967). During the 1960s and early 1970s he became deeply involved in the radical wing of the movement against the Vietnam War, and as a member of the Students for a Democratic Society, participated in the war protest movement at the University of Iowa and elsewhere. In 1969 he became a member of the Atlanta Fire Department, where he founded an underground monthly in association with trade union activities in the department. He was elected for one term as mayor of Senoia, Georgia, in 1972, presumably the first head of local government in that genteel, old cotton town to hold allegiance to socialist principles. Returning to Florida in 1974 he entered the University of Florida and completed his B.A. degree in 1976. In 1986 he completed an M.A. degree in African history and began the Ph.D. program in Latin American history the following year.

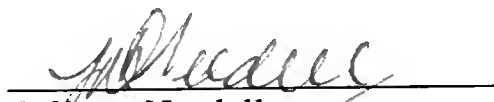
He grows organic citrus in Melrose, Florida, with his partner and co-nester, Anna Cordelia McClelland.

He is the proud father of two children, Alec Nairne and Clea Kathryn.

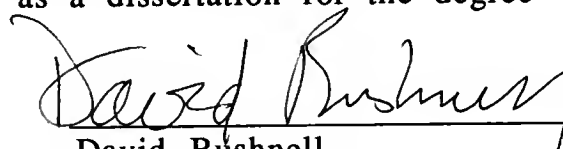
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Murdo J. Macleod, Chairman  
Graduate Research Professor of  
History

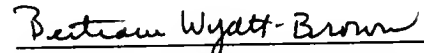
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Jeffrey Needell  
Associate Professor of  
History

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David Bushnell  
Professor of History

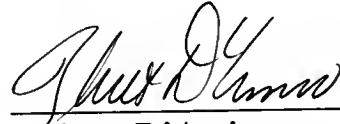
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Bertram Wyatt-Brown  
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This dissertation was submitted to the Graduate Faculty of the Department of History in the College of Liberal Arts and Sciences and to the Graduate School and was accepted as partial fulfillment of the requirements for the degree of Doctor of Philosophy.

April, 1994

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Dean, Graduate School

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